INTERIM
REPORT 2011

Q1-3

FIGURES & VALUES

Interim Report for the First Three Quarters of 2011 **AUSTRIAN POST**

2011

Post

FACTS & FIGURES OF AUSTRIAN POST.

HIGHLIGHTS Q1–3 2011

- **INCREASED REVENUE**

  – Revenue up 4.1% year-on-year on a comparable basis
  – New products and services well received by the market

- **FOCUS ON SUSTAINABLE FINANCIAL FUTURE**

  – Investments in new sorting facilities and solutions to enhance customer satisfaction
  – Investments in structural measures to improve the cost structure consistently

- **IMPROVED EARNINGS AND CASH FLOW**

  – EBIT up 15.4% to EUR 109.5m
  – Operating cash flow before changes in working capital rises 26.9% to EUR 146.0m

- **OUTLOOK FOR 2011**

  – Current economic slowdown may impact consumer behaviour, revenue growth in 2011 of +3.5–4% depending on the overall economic development
  – EBITDA margin at the upper end of the targeted range of 10–12%

OVERVIEW OF KEY INDICATORS AUSTRIAN POST

Income statement		Q1–3 2010	Q1–3 2011	Change %
Revenue[1]	EUR m	1,642.1	1,709.9	4.1%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	EUR m	168.9	175.5	4.0%
EBITDA margin[2]	%	10.3%	10.3%	–
Earnings before interest and tax (EBIT)	EUR m	94.8	109.5	15.4%
EBIT margin[2]	%	5.8%	6.4%	–
Earnings before tax (EBT)	EUR m	88.7	105.8	19.3%
Profit for the period	EUR m	68.1	78.9	16.0%
Earnings per share (EUR)[3]	EUR	1.01	1.17	16.0%
Employees (average for the period, full-time equivalents)[1]		24,233	23,486	–3.1%

Cash flow		Q1–3 2010	Q1–3 2011	Change %
Operating cash flow before changes in working capital	EUR m	115.0	146.0	26.9%
Cash flow from operating activities	EUR m	103.3	127.1	23.0%
Investment in property, plant and equipment (CAPEX)	EUR m	–29.0	–43.4	49.6%
Acquisition/disposal of subsidiaries	EUR m	–2.9	3.2	–
Free cash flow	EUR m	79.2	113.8	43.8%

Balance sheet		Dec 31, 2010	Sept 30, 2011	Change %
Total assets	EUR m	1,715.1	1,657.2	–3.4%
Capital and reserves	EUR m	690.8	660.1	–4.4%
Non-current assets	EUR m	1,067.6	1,037.5	–2.8%
Current assets	EUR m	647.5	619.7	–4.3%
Net debt	EUR m	126.6	128.0	1.1%
Equity ratio	%	40.3%	39.8%	–
Capital employed	EUR m	767.5	737.7	–3.9%

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

STATEMENT BY THE MANAGEMENT BOARD

LADIES AND GENTLEMEN!
DEAR SHAREHOLDERS!

The first three quarters of the 2011 financial year proceeded very satisfactorily for Austrian Post. The revenue increase achieved in the mail and parcel segments once again demonstrates that our strategic positioning is right and the implementation of our business strategy is progressing well. Declining volumes for addressed letter mail was more than compensated by positive effects as well as growth in the parcels business and direct mail items.

On balance, Group revenue rose 4.1% on a comparable basis to EUR 1,709.9m in the reporting period. The Parcel & Logistics Division generated a 6.0% and the Mail Division a 4.1% revenue increase, whereas revenue of the Branch Network Division fell by 4.1% as a result of the far-reaching structural transformation taking place in this segment. New services and self-service products have been well received by the market and have provided a positive impetus to revenue.

The basis of our operations is our consistent customer orientation with the purpose of promoting innovative products and services with self-service features. Another key challenge facing Austrian Post is to more efficiently organise its operational processes in order to be prepared for the challenges of a changing market. The ongoing substitution of addressed letter mail items by electronic forms of communication can be expected along with the potential for an economic slowdown. Our focus is the sustainable financial future of the company. For this reason, investments designed to improve service quality and operating performance have priority. With this in mind we also carried out investments in the past reporting period with the objective of further enhancing efficiency and sustainably improving the cost structure.

The persistent focus on efficiency improvements is reflected in our earnings. EBIT of Austrian Post rose 15.4% to EUR 109.5m. This includes operating improvements in all divisions, but also higher allocations for provisions relating to structural optimisation measures. On this basis, the operating cash flow before changes in working capital climbed 26.9%, to EUR 146.0m.

Taking account of this development, the Management Board of Austrian Post expects Group revenue in 2011 as a whole to rise by 3.5% to 4%, depending on the overall economic situation. With respect to the development of earnings at Austrian Post, the objective of generating a sustainable EBITDA margin of 10% to 12% remains valid. An EBITDA margin at the upper end of the targeted range is anticipated for the entire year 2011.

Vienna, November 9, 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

International economic forecasts have deteriorated substantially since the middle of 2011. The driving force underlying this development is the uncertainty surrounding the debt crisis in several countries, which has increasingly led to many companies holding back on investment decisions. Accordingly, the Austrian Institute of Economic Research (WIFO) has revised its original projections downwards from strong growth in 2011 (+2.9%) to a more moderate increase of domestic GDP to only 0.8% for the year 2012. A 3.1% inflation rate in Austria is expected for 2011, declining somewhat to 2.1% in 2012. The major forecasting institutes are also cautious with respect to the international economic situation due to extensive fiscal uncertainty. The International Monetary Fund (IMF) anticipates global economic growth of 4.0% for both 2011 and 2012. In contrast, the European economy is only forecast to expand by 2.0% and 1.5%, respectively, during the same period. The IMF predicts a growth rate of 2.7% for Germany in 2011 followed by 1.3% in 2012. Expectations for South East and Eastern Europe have also been revised downwards. Current IMF forecasts for 2011 and 2012 anticipate 3.3% growth in Slovakia in both years, 1.8% and 1.7% respectively in Hungary, and 2.0% and 3.0% in Serbia.

In the mail business, the trend towards the substitution of conventional letter mail by electronic forms of communication will continue. In contrast, the volumes of direct mail items depend on the advertising activities of companies and thus are subject to business cycle fluctuations. Despite the slowdown in economic activity, advertising expenditures of companies increased in the first nine months of 2011. However, the trend indicates a more restrained development towards the end of the year. The quarterly forecast published by ZenithOptimedia expects advertising investments in Western Europe to expand by an average of 2.8% until the year 2013.

Parcel volumes in Austria are continuing to rise thanks to the growing importance of online shopping. The international parcel and freight business, which is largely dependent on the overall economic situation, global trade flows and the related price developments, shows a positive volume trend. This is being 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 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 an integral 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 licence 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 Valued Added Tax (VAT). Universal postal services whose terms and conditions are individually regulated are subject to 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.

BUSINESS 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 nine months of 2011.

REVENUE AND EARNINGS DEVELOPMENT

In order to enable a consistent analysis of Austrian Post's revenue development, revenue in 2010 was adjusted for the meiller companies deconsolidated as of December 20, 2010. The deconsolidation of these companies reduced the comparable revenue of the Mail Division by EUR 71.1m in the first nine months of 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 to EUR 1,709.9m in the first three quarters of 2011, a rise of 4.1%. Revenue growth was generated in the Parcel & Logistics Division (+6.0%) and the Mail Division (+4.1%). In contrast, revenue of the Branch Network Division fell by 4.1% in the same period. There were 189 calendar working days in the first three quarters of 2011, the same number as in the prior-year period.

Revenue in the Mail Division rose to EUR 978.3m, an increase of 4.1% on a comparable basis. The ongoing substitution of letters by electronic media was in contrast to the positive effects related to the new franking systems for small and medium-sized firms and additional revenue generated in the field of Mail Solutions as well as the new product portfolio and regular stamps. A shifting of volumes took place to the Mail Division with respect to international e-commerce shipments. Moreover, the growth in revenue from addressed and unaddressed direct mail items clearly shows the enhanced activity of the advertising industry during the period under review, whose campaigns to attract new customers provided a positive impetus to business growth.

Revenue in the Parcel & Logistics Division climbed by 6.0% in the first three quarters of 2011 to EUR 618.1m, due to rising volumes and against the backdrop of ongoing price pressure. Growth was generated in Austria as well as in the regions Germany/Benelux and South East and Eastern Europe.

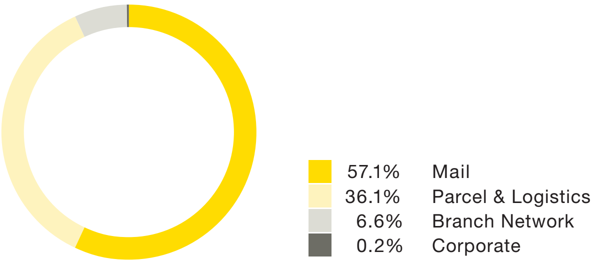
The organisational structure of the Branch Network Division is currently undergoing change. Over the last 12 months, the number of third-party operated postal partner offices has risen from 898 to 1,239 as at September 30, 2011. This change has affected the division's revenue and cost structure as well 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. Thus the division's external sales were down 4.1% to EUR 112.8m.

REVENUE BY DIVISION[1]

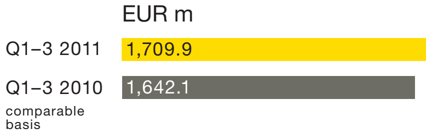
EUR m	Q1–3 2010	Q1–3 2010 comparable basis	Q1–3 2011	Change %	Change EUR m	Q3 2010	Q3 2011
Total revenue[2]	**1,713.2**	**1,642.1**	**1,709.9**	**4.1%**	**67.8**	**536.1**	**572.0**
Mail[2]	1,011.2	940.2	978.3	4.1%	38.1	302.2	326.8
Parcel & Logistics	582.9	–	618.1	6.0%	35.2	195.8	207.2
Branch Network	117.6	–	112.8	–4.1%	–4.9	37.7	37.7
Corporate	3.7	–	3.7	–1.0%	0.0	1.2	1.2
Consolidation	–2.3	–	–2.9	–26.4%	–0.6	–0.7	–0.8
Calendar working days in Austria	189	–	189	–	–	66	65

[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 as of 2011

REVENUE BY DIVISION %



REVENUE



INCOME STATEMENT

EUR m	Q1–3 2010	Q1–3 2010 comparable basis	Q1–3 2011	Change %	Change EUR m	Q3 2010	Q3 2011
Revenue[1]	**1,713.2**	**1,642.1**	**1,709.9**	**4.1%**	**67.8**	**536.1**	**572.0**
Other operating income[1]	55.5	53.4	55.0	3.0%	1.6	19.6	20.1
Raw materials, consumables and services used[1]	–549.3	–507.9	–548.7	8.0%	40.8	–171.4	–187.9
Staff costs[1]	–839.2	–816.2	–817.0	0.1%	0.7	–269.5	–276.4
Other operating expenses[1]	–211.8	–205.3	–215.7	5.1%	10.4	–72.0	–72.1
Results of investments consolidated at equity	0.5	–	–7.9	–	–8.4	0.1	–4.9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**168.9**	**–**	**175.5**	**4.0%**	**6.7**	**44.1**	**50.8**
Depreciation, amortisation and impairment losses	–74.0	–	–66.1	–10.7%	–7.9	–23.8	–22.6
Earnings before interest and tax (EBIT)	**94.8**	**–**	**109.5**	**15.4%**	**14.6**	**20.3**	**28.2**
Other financial result	–6.1	–	–3.6	40.7%	2.5	–2.2	–1.7
Earnings before tax (EBT)	**88.7**	**–**	**105.8**	**19.3%**	**17.1**	**18.2**	**26.5**
Income tax	–20.6	–	–26.9	30.3%	6.3	–4.1	–9.5
Profit for the period	**68.1**	**–**	**78.9**	**16.0%**	**10.9**	**14.0**	**16.9**
Earnings per share (EUR)	1.01	–	1.17	16.0%	0.16	0.21	0.25

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

The revenue growth of 4.1% or EUR 67.8m on a comparable basis also affected the cost structure of the Group. Higher revenue and parcel volumes increased the purchase of external transport services carried out by parcel logistics subcontractors. As a consequence, operating expenses for raw materials, consumables and services used rose 8.0% on a comparable basis, to EUR 548.7m.

Staff costs on a comparable basis remained constant at EUR 817.0m, although operational staff costs even declined by EUR 18.8m to EUR 749.8m. Savings in operational staff costs were achieved by taking advantage of voluntary employee departures. On a comparable basis, the average number of employees fell by 747 to 23,486 employees (full-time equivalents).

Non-operational staff costs, which amounted to EUR 67.2m in the first nine months of 2011, include all investments designed to achieve a consistent improvement in the cost structure, such as expenses for structural measures and provisions for employee under-utilisation. In the reporting period, expenses of EUR 21.7m were reported for employees who are likely to transfer to the federal public service, mainly resulting from the allocation of a provision for an additional 208 employees.

This possibility is based on agreements reached with the Ministry of Internal Affairs in the year 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 since the beginning of 2011 from EUR 244.1m to EUR 256.9m. The cash-related use of this provision in the first three quarters of 2011 amounted to EUR 18.1m. Furthermore, a provision of EUR 20.0m was allocated for structural measures relating to the Parcel & Logistics Division.

Other operating income rose by 3.0% on a comparable basis to EUR 55.0m during the period under review. This includes income from rents and leases of EUR 17.9m and proceeds from the disposal of property, plant and equipment of EUR 5.3m.

Other operating expenses were up 5.1% on a comparable basis to EUR 215.7m. This increase is mainly 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.

The results of the investments consolidated at equity totalling minus EUR 7.9m is primarily the consequence of the negative results of the subsidiary MEILLERGHP, in which Austrian Post owns a 65% stake. The company is currently in a restructuring phase.

EBITDA BY DIVISION

EUR m	Q1–3 2010	Q1–3 2011	Change %	Change EUR m	Q3 2010	Q3 2011
Total EBITDA	**168.9**	**175.5**	**4.0%**	**6.7**	**44.1**	**50.8**
Mail	195.6	225.1	15.1%	29.4	58.6	81.6
Parcel & Logistics excl. provision for structural measures	27.1	33.3	22.7%	6.2	9.0	11.3
Parcel & Logistics	27.1	13.3	–51.0%	–13.8	9.0	–8.7
Branch Network	–16.7	–4.3	74.4%	12.4	–7.9	0.6
Corporate	–37.2	–58.5	–57.4%	–21.3	–15.7	–22.8

EBIT BY DIVISION

EUR m	Q1–3 2010	Q1–3 2011	Change %	Change EUR m	Q3 2010	Q3 2011
Total EBIT	**94.8**	**109.5**	**15.4%**	**14.6**	**20.3**	**28.2**
Mail	168.4	205.3	21.9%	36.9	50.2	74.9
Parcel & Logistics excl. provision for structural measures	9.0	14.3	59.2%	5.3	2.9	4.1
Parcel & Logistics	9.0	–5.7	–	–14.7	2.9	–15.9
Branch Network	–21.0	–8.4	60.0%	12.6	–9.4	–0.7
Corporate	–61.6	–81.8	–32.8%	–20.2	–23.4	–30.1

Earnings before interest, tax, depreciation and amortisation (EBITDA) of Austrian Post improved to EUR 175.5m in the first three quarters of 2011. Accordingly, the EBITDA margin was 10.3%. EBIT rose 15.4% to EUR 109.5m, corresponding to an EBIT margin of 6.4%.

All divisions improved their operating results during the period under review. EBIT of the Mail Division climbed to EUR 205.3m, and the Branch Network Division continued its restructuring efforts, concluding the first nine months of 2011 with an EBIT of minus EUR 8.4m, up from minus EUR 21.0m in the comparable period of the previous year.

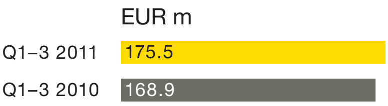
EBIT of the Parcel & Logistics Division before provision for structural measures rose by EUR 5.3m to EUR 14.3m. In order to further improve the profitability of this division, revenue and cost-related measures designed to consistently enhance performance were initiated. The objective of the entire division is to keep logistics systems as lean as possible and increase capacity utilisation. Moreover, Austrian Post is evaluating alternatives for the Benelux region in order to be able to offer the most sustainable and efficient logistics solution. The aim is to maintain the supply of services, streamline the network and make a structural decision by the end of the year with respect to strategic partnerships and outsourcing. A provision amounting to EUR 20.0m for structural measures relating to the Parcel & Logistics Division was established and reported in the balance sheet.

The issues of provisions and future investments also shaped the Corporate segment. EBIT of the Corporate segment was down from minus EUR 61.6m in the first three quarters of 2010 to minus EUR 81.8m. This can be attributed to the fact that provisions were allocated during the reporting period for employees who transfer to the federal public service. Moreover, the Corporate segment also encompasses non-allocated costs for central departments, expenses in connection with unused properties as well as changes in staff-related provisions.

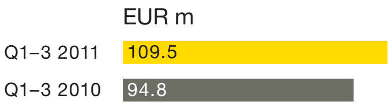
Earnings before tax rose 19.3% to EUR 105.8m. After deducting income taxes totalling EUR 26.9m, the Group net profit (profit for the period) amounted to EUR 78.9m. This corresponds to earnings of EUR 1.17 per share for the first nine months of 2011, up 16.0% from the prior-year level, and EUR 0.25 per share for the third quarter of 2011.

EARNINGS INDICATORS

EBITDA



EBIT



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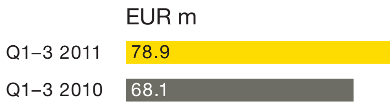


ASSETS AND FINANCES

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.

On balance, non-current assets of Austrian Post amounted to EUR 1,037.5m on the reporting date of September 30, 2011, corresponding to 62.6% of the balance sheet total of EUR 1,657.2m. Non-current assets include, amongst other items, property, plant and equipment at EUR 596.0m, goodwill of EUR 184.2m as well as financial investments in securities and other financial assets at EUR 80.0m. The principal current asset items, which at EUR 619.7m comprise 37.4% of the balance sheet total, are receivables at EUR 337.8m and cash and cash equivalents amounting to EUR 264.6m.

On the equity and liabilities side, the balance sheet total is comprised of capital and reserves (39.8%), non-current liabilities (29.0%) and current liabilities (31.2%). The non-current liabilities totalling EUR 480.0m largely consist of provisions amounting to EUR 419.5m, including the provision for employee under-utilisation of EUR 256.9m. Current liabilities of EUR 517.1m primarily relate to trade payables, at EUR 349.2m.

All in all, the balance sheet total of Austrian Post shows a considerable level of current and non-current financial resources. As at September 30, 2011, Austrian Post had cash and cash equivalents of EUR 264.6m and financial investments in securities of EUR 39.6m. Accordingly, these financial resources at the disposal of Austrian Post totalling EUR 304.2m at the reporting date compare with financial liabilities of EUR 29.7m.

BALANCE SHEET STRUCTURE

EUR m	Dec. 31, 2010	Sept. 30, 2011	Structure Sept. 30, 2011 %
Assets			
Non-current assets	1,067.6	1,037.5	62.6%
thereof financial investments in securities and other financial assets	89.4	80.0	4.8%
Current assets	647.5	619.7	37.4%
thereof cash and cash equivalents	313.1	264.6	16.0%
	1,715.1	**1,657.2**	**100.0%**
Equity and liabilities			
Capital and reserves	690.8	660.1	39.8%
Non-current liabilities	479.4	480.0	29.0%
thereof provisions	414.6	419.5	25.3%
Current liabilities	544.9	517.1	31.2%
thereof provisions	160.1	161.8	9.8%
	1,715.1	**1,657.2**	**100.0%**

CASH FLOW

EUR m	Q1–3 2010	Q1–3 2011
Operating cash flow before changes in working capital	**115.0**	**146.0**
+/– Cash flow from changes in net working capital	–11.7	–18.9
= Cash flow from operating activities	**103.3**	**127.1**
+/– Cash flow from investing activities	–24.0	–13.2
= Free cash flow	**79.2**	**113.8**
+/– Cash flow from financing activities	–106.5	–162.3
= Net change in cash and cash equivalents	**–27.3**	**–48.5**

CASH FLOW

In the first three quarters of 2011, the operating cash flow before changes in working capital amounted to EUR 146.0m, a rise of EUR 31.0m from the prior-year level. Taxes paid during the first nine months of 2011 totalled EUR 33.2m.

The cash flow from changes in net working capital declined by EUR 18.9m during the period under review. This development is largely due to the increased level of receivables, mainly resulting from the new Value Added Tax regulation applicable since the beginning of 2011 as well as different payment dates for the salaries of civil servants on a year-on-year comparison.

The cash flow from investing activities of minus EUR 13.2m includes cash outflows for the purchase of property, plant and equipment (CAPEX) amounting to minus EUR 43.4m as well as the cash inflow derived from the disposal of property, plant and equipment of EUR 19.8m. The total free cash flow was EUR 113.8m, compared to EUR 79.2m in the first nine months of the previous year.

INVESTMENTS AND ACQUISITIONS

In the first three quarters of 2011, overall capital expenditure for property, plant and equipment and intangible assets amounted to EUR 53.2m, of which EUR 47.4m were for investments in property, plant and equipment. Whereas investments in intangible assets declined slightly by EUR 3.3m, capital expenditure in property, plant and equipment increased considerably, rising by EUR 11.9m. For the most part, the investments were mainly made for office equipment, fixtures and fittings. Expenditures increasingly focused on replacement investments in the vehicle fleet as well as various office equipment, fixtures and fittings such as delivery staff tables and workplace equipment.

EMPLOYEES

In the first nine months of 2011, the average number of full-time employees at Austrian Post totalled 23,486 people, corresponding to a decline in the workforce by 747 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 20,058 full-time equivalents, is employed by the parent company Österreichische Post AG.

EMPLOYEES BY DIVISION

Average for the period, full-time equivalents	Q1–3 2010	Q1–3 2010 comparable basis[1]	Q1–3 2011	Structure Sept. 30, 2011 %
Mail	14,974	14,045	13,755	58.6%
Parcel & Logistics	4,002	–	4,056	17.3%
Branch Network	4,334	–	3,848	16.4%
Corporate	1,851	–	1,827	7.8%
Total	**25,162**	**24,233**	**23,486**	**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 Annual Report 2010 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 three 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, economic slowdown 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 long-term macro trends prevailing on the postal market to continue for the entire 2011 financial year. However, the short-term economic development is likely to be negatively impacted by the current sovereign debt crisis in Europe. The current economic slowdown may impact consumer behaviour.

Electronic substitution of letters will also reduce letter mail volumes in Austria by 3–5% p.a., reflecting international trends. The market for parcels and direct mail items may be impacted by the weakening economy, but should prove to be largely robust.

Based on developments to date, the Management Board expects the total Group revenue of Austrian Post to improve by 3.5–4% for the year 2011 as a whole, depending upon the overall economic development. The Mail Division will generate revenue growth on a comparable basis in contrast to the revenue decline in the Branch Network Division. Revenue is also expected to develop positively in the Parcel & Logistics Division. Austrian Post 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 primarily 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 involve replacement investments in existing facilities as well as in new and more efficient sorting technology. Moreover, investments in structural measures to improve the operating cost structure will have priority.

The top priorities in the company's international business will be to further 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

October 20, 2011 marked the closing of Austrian Post's acquisition of a 26% stake in the Romanian firm PostMaster s.r.l. The company operates in the field of addressed and unaddressed advertising mail. The purchase agreement includes an option for Austrian Post to acquire the remaining 74% of the shares over the next two years.

PERFORMANCE OF DIVISIONS

MAIL DIVISION

EUR m	Q1–3 2010	Q1–3 2010 comparable basis	Q1–3 2011	Change %	Change EUR m	Q3 2010	Q3 2011
External sales[1]	**1,011.2**	**940.2**	**978.3**	**4.1%**	**38.1**	**302.2**	**326.8**
Letter Mail	529.9	–	547.4	3.3%	17.5	169.5	186.4
Infomail[1]	383.3	312.2	332.5	6.5%	20.3	101.9	110.5
Media Post	98.1	–	98.3	0.2%	0.2	30.9	29.9
Internal sales	38.5	–	40.6	5.3%	2.0	12.7	13.5
Total revenue[1]	1,049.7	978.7	1,018.8	4.1%	40.2	314.9	340.3
EBITDA	**195.6**	**–**	**225.1**	**15.1%**	**29.4**	**58.6**	**81.6**
Depreciation, amortisation and impairment losses	–27.2	–	–19.8	–27.3%	–7.4	–8.5	–6.6
EBIT	**168.4**	**–**	**205.3**	**21.9%**	**36.9**	**50.2**	**74.9**
EBITDA margin[2]	18.6%	20.0%	22.1%	–	–	18.6%	24.0%
EBIT margin[2]	16.0%	17.2%	20.2%	–	–	15.9%	22.0%
Employees[3]	14,974	14,045	13,755	–2.1%	–291	–	–

[1] Figures for 2010 and changes excl. meiller Group (pro forma consolidation); 2011: joint venture MEILLERGHP consolidated at equity
[2] EBIT and EBITDA in relation to total revenue excl. meiller Group
[3] Average for the period, full-time equivalents, figures for 2010 and changes 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, which were deconsolidated as at December 20, 2010. The deconsolidation of these companies reduced the comparable revenue of the Mail Division by EUR 71.1m in the first nine months of 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. On this basis, external sales of the Mail Division rose 4.1% or EUR 38.1m from the prior-year period.

Revenue generated by the Letter Mail Business Area improved by 3.3% on a year-on-year comparison, to EUR 574.4m. The ongoing substitution of letters by electronic media was offset by positive effects such as new franking systems for small and medium-sized firms and additional revenue in the field of Mail Solutions as well as the new product portfolio and regular stamps. A shifting of volumes took place to the Mail Division with respect to international e-commerce shipments. The new option of selecting either Priority or Economy products should gradually result in a trend towards Economy products.

In the first nine months of 2011, revenue achieved by the Infomail Business Area (addressed and unaddressed direct mail) rose by 6.5% or EUR 20.3m on a comparable basis. This increase reflects the robust activity on the part of the advertising industry in the first nine months of 2011, whose campaigns to attract new customers provided a positive impetus to Infomail's business growth. Moreover, innovative ideas such as individualised advertising mail positively impacted the revenue development.

Revenue of the Media Post Business Area at EUR 98.3m remained virtually stable in the first nine months of 2011.

On balance, EBITDA of the Mail Division during the period under review improved to EUR 225.1m. At the same time, EBIT rose to EUR 205.3m.

PARCEL & LOGISTICS DIVISION

EUR m	Q1–3 2010	Q1–3 2011	Change %	Change EUR m	Q3 2010	Q3 2011
External sales	**582.9**	**618.1**	**6.0%**	**35.2**	**195.8**	**207.2**
Internal sales	17.4	18.0	3.5%	0.6	5.9	5.8
Total revenue	600.3	636.1	6.0%	35.8	201.7	212.9
EBITDA excl. provision for structural measures	**27.1**	**33.3**	**22.7%**	**6.2**	**9.0**	**11.3**
EBITDA	27.1	13.3	–51.0%	–13.8	9.0	–8.7
Depreciation, amortisation and impairment losses	–18.1	–19.0	4.6%	0.8	–6.1	–7.3
EBIT excl. provision for structural measures	**9.0**	**14.3**	**59.2%**	**5.3**	**2.9**	**4.1**
EBIT	9.0	–5.7	–	–14.7	2.9	–15.9
EBITDA margin[1]	4.5%	5.2%	–	–	4.5%	5.3%
EBIT margin[1]	1.5%	2.3%	–	–	1.5%	1.9%
Employees[2]	4,002	4,056	1.4%	54	–	–

[1] EBIT and EBITDA before provision for structural measures in relation to total revenue
[2] Average for the period, full-time equivalents

External sales of the Parcel & Logistics Division climbed 6.0% in the first three quarters of 2011, to EUR 618.1m. The basis for this increase was higher parcel volumes despite price pressure in almost all markets.

The premium parcel segment (parcel delivery within 24 hours), which is mainly used in the business-to-business area, generated a revenue increase of 5.4% in the first three quarters of 2011, to EUR 485.5m. The German subsidiary trans-o-flex accounted for three-quarters of this revenue. Parcel volumes from business customers in Austria and in South East and Eastern Europe continued to develop very positively. Revenue growth was also achieved in Belgium and the Netherlands, where restructuring efforts are currently being intensified. The objective is to maintain the supply of services while simultaneously streamlining the network and reaching a structural decision by the end of the year with respect to strategic partnerships and outsourcing.

The standard parcels product segment used mainly for shipments to private customers also posted growth. Revenue rose by 3.0%, to EUR 117.7m.

The operating result of the Parcel & Logistics Division improved. EBIT excluding provision for structural measures amounted to EUR 14.3m, compared to EUR 9.0m in the prior-year period. Adjusted to take account of the provision for structural measures, EBIT in the first nine months of 2011 totalled minus EUR 5.7m.

BRANCH NETWORK DIVISION

EUR m	Q1–3 2010	Q1–3 2011	Change %	Change EUR m	Q3 2010	Q3 2011
External sales	**117.6**	**112.8**	**–4.1%**	**–4.9**	**37.7**	**37.7**
Internal sale	126.6	125.3	–1.0%	–1.3	41.1	40.8
Total revenue	244.3	238.1	–2.5%	–6.2	78.8	78.5
EBITDA	**–16.7**	**–4.3**	**74.4%**	**12.4**	**–7.9**	**0.6**
Depreciation, amortisation and impairment losses	–4.3	–4.1	–4.6%	–0.2	–1.5	–1.4
EBIT	**–21.0**	**–8.4**	**60.0%**	**12.6**	**–9.4**	**–0.7**
EBITDA margin[1]	–6.8%	–1.8%	–	–	–10.0%	0.8%
EBIT margin[1]	–8.6%	–3.5%	–	–	–11.9%	–0.9%
Employees[2]	4.334	3.848	–11.2%	–486	–	–

[1] EBIT and EBITDA in relation to total revenue
[2] Average for the period, full-time equivalents

The enormous changes taking place in the branch network are reflected in the transformed structure of postal service points. The number of third-party operated postal partner offices has increased during the last twelve months from 898 at the end of September 2010 to 1,239 at the end of September 2011. On balance, Austrian Post has 1,882 postal service points, compared to 1,833 one year earlier. This change also affects the revenue and cost structure of the Branch Network Division, as does the contractually redefined partnership with Austrian Post's banking partner 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 the first nine months of 2011, external sales of the Branch Network Division fell by 4.1%, which is related to declining sales of retail products like telecommunication products. Internal sales i.e. postal services provided by the branch network also decreased slightly once again and were down by 1.0%. The volume of letters posted via the branch network is generally declining, due to the fact that Austrian Post is increasingly picking up letters directly from large customers within the context of the enhanced services offered by the company. By optimising the nationwide supply structure, earnings of the division also improved. EBIT increased by EUR 12.6m from the prior-year level, to minus EUR 8.4m.

The new strategic branch office cooperation with the banking partner BAWAG P.S.K. is being rapidly implemented. 185 jointly operated outlets had been adapted and newly opened as at the end of September 2011. This cooperation will offer for both partners the opportunity to focus on their respective core competencies and also mutually benefit from the synergies created.

Vienna, November 9, 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 THREE QUARTERS OF 2011

EUR m	Q1–3 2010	Q1–3 2011	Q3 2010	Q3 2011
Revenue	1,713.2	1,709.9	563.1	572.0
Other operating income	55.5	55.0	21.0	20.1
Total operating income	1,768.7	1,764.9	584.0	592.1
Raw materials, consumables and services used	–549.3	–548.7	–188.7	–187.9
Staff costs	–839.2	–817.0	–277.2	–276.4
Depreciation, amortisation and impairment losses	–74.0	–66.1	–23.8	–22.6
Other operating expenses	–211.8	–215.7	–74.1	–72.1
Total operating expenses	–1,674.3	–1,647.5	–563.8	–559.0
Profit from operations	**94.4**	**117.4**	**20.3**	**33.1**
Results of investments consolidated at equity	0.5	–7.9	0.1	–4.9
Other financial result	–6.1	–3.6	–2.2	–1.7
Total financial result	–5.6	–11.6	–2.1	–6.6
Profit before tax	**88.7**	**105.8**	**18.2**	**26.5**
Income tax	–20.6	–26.9	–4.1	–9.5
Profit for the period	**68.1**	**78.9**	**14.0**	**16.9**
Attributable to equity holders of the parent company	68.1	78.9	14.0	16.9
EUR				
Basic earnings per share	**1.01**	**1.17**	**0.21**	**0.25**
Diluted earnings per share	**1.01**	**1.17**	**0.21**	**0.25**
EUR m				
Profit from operations	94.4	117.4	20.3	33.1
Share of profit/loss of investments consolidated at equity	0.5	–7.9	0.1	–4.9
Earnings before interest and tax (EBIT)	**94.8**	**109.5**	**20.3**	**28.2**

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST THREE QUARTERS OF 2011

EUR m	Q1–3 2010	Q1–3 2011	Q3 2010	Q3 2011
Profit for the period	**68.1**	**78.9**	**14.0**	**16.9**
Currency translation differences	–0.2	–0.3	0.0	–0.5
Revaluation of financial instruments held for sale	1.7	–1.7	0.8	–2.1
Deferred taxes	–0.4	0.4	–0.2	0.5
Revaluation of financial instruments hedging	0.0	0.0	–0.5	0.0
Deferred taxes	0.0	0.0	0.1	0.0
Other comprehensive income	**1.1**	**–1.6**	**0.2**	**–2.1**
Total comprehensive income	**69.1**	**77.3**	**14.3**	**14.9**
Attributable to equity holders of the parent company	69.1	77.3	14.3	14.9

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2011

EUR m	Dec. 31, 2010	Sept. 30, 2011
Assets		
Non-current assets		
Goodwill	183.8	184.2
Intangible assets	58.9	56.0
Property, plant and equipment	610.9	596.0
Investment property	33.9	31.2
Investments consolidated at equity	27.3	19.2
Financial investments in securities	48.0	39.4
Other financial assets	41.4	40.6
Receivables	13.3	20.7
Deferred tax assets	49.9	50.4
	1,067.6	**1,037.5**
Current assets		
Financial investments in securities	0.2	0.2
Inventories	16.3	17.0
Receivables	317.9	337.8
Cash and cash equivalents	313.1	264.6
	647.5	**619.7**
	1,715.1	**1,657.2**
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	–3.1
Currency translation reserves	–0.6	–0.9
Profit for the period	118.4	78.9
	690.8	**660.1**
Non-current liabilities		
Provisions	414.6	419.5
Financial liabilities	24.6	23.6
Payables	25.9	24.2
Deferred tax liabilities	14.2	12.7
	479.4	**480.0**
Current liabilities		
Provisions	135.1	157.8
Tax provisions	25.0	4.0
Financial liabilities	54.5	6.1
Payables	330.3	349.2
	544.9	**517.1**
	1,715.1	**1,657.2**

CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST THREE QUARTERS OF 2011

EUR m	Q1–3 2010	Q1–3 2011
Operating activities		
Profit before tax	88.7	105.8
Depreciation, amortisation and impairment losses	74.0	66.1
Results of investments consolidated at equity	–0.5	7.9
Write-ups, write-downs of financial instruments	–0.2	0.1
Non-current provisions	2.9	4.9
Gain/loss on the disposal of non-current assets	–4.3	–4.0
Gain/loss on the disposal of financial instruments	0.0	0.7
Taxes paid	–49.8	–33.2
Net interest received/paid	0.7	–2.2
Currency translation	–0.8	–0.2
Other non-cash transactions	4.3	0.0
Operating cash flow before changes in working capital	**115.0**	**146.0**
Changes in net working capital		
Receivables	–9.9	–39.7
Inventories	0.3	–0.7
Current provisions	–7.9	22.7
Payables	5.8	–1.1
Cash flow from changes in net working capital	**–11.7**	**–18.9**
Cash flow from operating activities	**103.3**	**127.1**
Investing activities		
Purchase of intangible assets	–5.9	–5.0
Purchase of property, plant and equipment and investment property	–29.0	–43.4
Proceeds from the disposal of non-current assets	6.5	19.8
Acquisition/disposal of subsidiaries	–2.7	–0.4
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	10.0
Dividends received from investments consolidated at equity	0.2	0.8
Interest received	2.0	4.3
Cash flow from investing activities	**–24.1**	**–13.2**
Free cash flow	**79.2**	**113.8**
Financing activities		
Changes in financial liabilities	–2.5	–52.1
Dividend paid	–101.3	–108.1
Interest paid	–2.7	–2.1
Cash flow from financing activities	**–106.5**	**–162.3**
Net change in cash and cash equivalents	**–27.3**	**–48.5**
Cash and cash equivalents at January 1	293.8	313.1
Cash and cash equivalents at September 30	**266.5**	**264.6**

SEGMENT REPORTING

Q1–3 2010 EUR m	Mail	Parcel & Logistics	Branch Network	Corporate	Consol-idation	Group
External sales	1,011.2	582.9	117.6	3.7	–2.3	1,713.2
Internal sales	38.5	17.4	126.6	124.2	–306.8	0.0
Total revenue	**1,049.7**	**600.3**	**244.3**	**127.9**	**–309.0**	**1,713.2**
Profit/loss from operations	168.2	9.0	–21.0	–61.9	0.0	94.4
Results of investments consolidated at equity	0.2	0.0	0.0	0.3	0.0	0.5
EBIT	**168.4**	**9.0**	**–21.0**	**–61.6**	**0.0**	**94.8**
Segment assets	382.1	417.0	44.8	465.5	–0.7	1,308.7
Investments consolidated at equity	5.2	0.1	0.0	0.5	0.0	5.8
Segment liabilities	332.5	99.9	72.8	427.7	–0.4	932.6
Segment investments	25.0	11.1	2.0	6.0	0.0	44.1
Depreciation, amortisation and impairment losses	27.2	18.1	4.3	24.4	0.0	74.0
thereof impairment losses	1.9	0.0	0.0	0.9	0.0	2.8
Employees[1]	14,974	4,002	4,334	1,851	–	25,162

Q1–3 2011 EUR m	Mail	Parcel & Logistics	Branch Network	Corporate	Consol-idation	Group
External sales	978.3	618.1	112.8	3.7	–2.9	1,709.9
Internal sales	40.6	18.0	125.3	116.3	–300.2	0.0
Total revenue	**1,018.8**	**636.1**	**238.1**	**120.0**	**–303.1**	**1,709.9**
Profit/loss from operations	213.9	–5.7	–8.4	–82.4	0.0	117.4
Results of investments consolidated at equity	–8.6	0.0	0.0	0.6	0.0	–7.9
EBIT	**205.3**	**–5.7**	**–8.4**	**–81.8**	**0.0**	**109.5**
Segment assets	335.6	414.6	40.0	456.7	–5.1	1,241.8
Investments consolidated at equity	18.2	0.1	0.0	0.9	0.0	19.2
Segment liabilities	327.5	125.4	68.4	424.8	–1.4	944.7
Segment investments	20.1	13.0	6.2	13.8	0.0	53.2
Depreciation, amortisation and impairment losses	19.8	19.0	4.1	23.2	0.0	66.1
thereof impairment losses	0.0	1.4	0.0	0.0	0.0	1.4
Employees[1]	13,755	4,056	3,848	1,827	–	23,486

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

Q3 2010 EUR m	**Mail**	**Parcel & Logistics**	**Branch Network**	**Corporate**	**Consol-idation**	**Group**
External sales	329.1	195.8	37.7	1.2	–0.7	563.1
Internal sales	12.7	5.9	41.1	40.6	–100.2	0.0
Total revenue	**341.8**	**201.7**	**78.8**	**41.7**	**–101.0**	**563.1**
Profit/loss from operations	50.1	2.9	–9.4	–23.4	0.0	20.3
Results of investments consolidated at equity	0.0	0.0	0.0	0.0	0.0	0.1
EBIT	**50.2**	**2.9**	**–9.4**	**–23.4**	**0.0**	**20.3**
Depreciation, amortisation and impairment losses	8.5	6.1	1.5	7.7	0.0	23.8
thereof impairment losses	0.0	0.0	0.0	0.0	0.0	0.0

Q3 2011 EUR m	**Mail**	**Parcel & Logistics**	**Branch Network**	**Corporate**	**Consol-idation**	**Group**
External sales	326.8	207.2	37.7	1.2	–0.8	572.0
Internal sales	13.5	5.8	40.8	38.6	–98.7	0.0
Total revenue	**340.3**	**212.9**	**78.5**	**39.8**	**–99.6**	**572.0**
Profit/loss from operations	79.9	–15.9	–0.7	–30.1	0.0	33.1
Results of investments consolidated at equity	–5.0	0.0	0.0	0.0	0.0	–4.9
EBIT	**74.9**	**–15.9**	**–0.7**	**–30.1**	**0.0**	**28.2**
Depreciation. amortisation and impairment losses	6.6	7.3	1.4	7.4	0.0	22.6
thereof impairment losses	0.0	1.4	0.0	0.0	0.0	1.4

GEOGRAPHICAL SEGMENTS

Q1–3 2010 EUR m	Austria	Germany	Other Countries	Group
External sales	1,184.7	425.1	103.4	1,713.2
Segment assets	896.7	315.4	96.7	1,308.7
thereof non-current	675.0	223.9	67.1	965.9
Segment investments	30.7	10.4	3.0	44.1

Q1–3 2011 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	74.2	17.3	6.2	97.7

Q3 2010 EUR m	Austria	Germany	Other Countries	Group
External sales	380.5	149.1	33.5	563.1

Q3 2011 EUR m	Austria	Germany	Other Countries	Group
External sales	406.6	131.6	33.8	572.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Q1–3 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**
Dividend paid			–21.6				–79.7	–101.3
Profit for the period							68.1	68.1
Other comprehensive income				1.2	0.0	–0.2		1.1
Total comprehensive income	**0.0**	**0.0**	**0.0**	**1.2**	**0.0**	**–0.2**	**68.1**	**69.1**
Balance at September 30, 2010	**337.8**	**130.5**	**106.5**	**–1.7**	**0.3**	**0.0**	**68.1**	**641.5**

Q1–3 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**	**0.0**	**–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							78.9	78.9
Other comprehensive income				–1.3		–0.3		–1.6
Total comprehensive income	**0.0**	**0.0**	**0.0**	**–1.3**	**0.0**	**–0.3**	**78.9**	**77.3**
Balance at September 30, 2011	**337.8**	**130.5**	**116.8**	**–3.1**	**0.0**	**–0.9**	**78.9**	**660.1**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST THREE QUARTERS OF 2011

1. BASIS OF PREPARATION

The consolidated interim financial statements of Austrian Post as at September 30, 2011 were prepared in accordance with the relevant International Financial Reporting Standards (IFRS) valid at September 30, 2011, as issued by the International Accounting Standard 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 three quarters 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 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, asset 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 amount 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 three quarters of 2011.

2. CONSOLIDATION SCOPE

In addition to the parent company Österreichische Post AG (Austrian Post), a total of 21 domestic subsidiaries (December 31, 2010: 23) and 34 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 the Austrian Post Group took place in the first three quarters 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
Parcel & Logistics				
Distributions GmbH Bergkirchen		100.0%	Aug. 2, 2011	Incorporation
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 subsidiary, and are therefore no longer included in the consolidation scope

Effective June 30, 2011, Austrian Post sold its 25.1% shareholding 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 crossborder letter mail services involving a simplified, customer-oriented product and service offering featuring formatbased 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 September 30, 2011, there was no material change in the transactions with related parties and individuals 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 September 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.

October 20, 2011 marked the closing of Austrian Post's acquisition of a 26% stake in the Romanian firm PostMaster s.r.l. The company operates in the field of addressed and unaddressed advertising mail. The purchase agreement stipulates an option for Austrian Post to acquire the remaining 74% of the shares over the next two years.

5. NEGATIVE NOTE

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

Vienna, November 9, 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

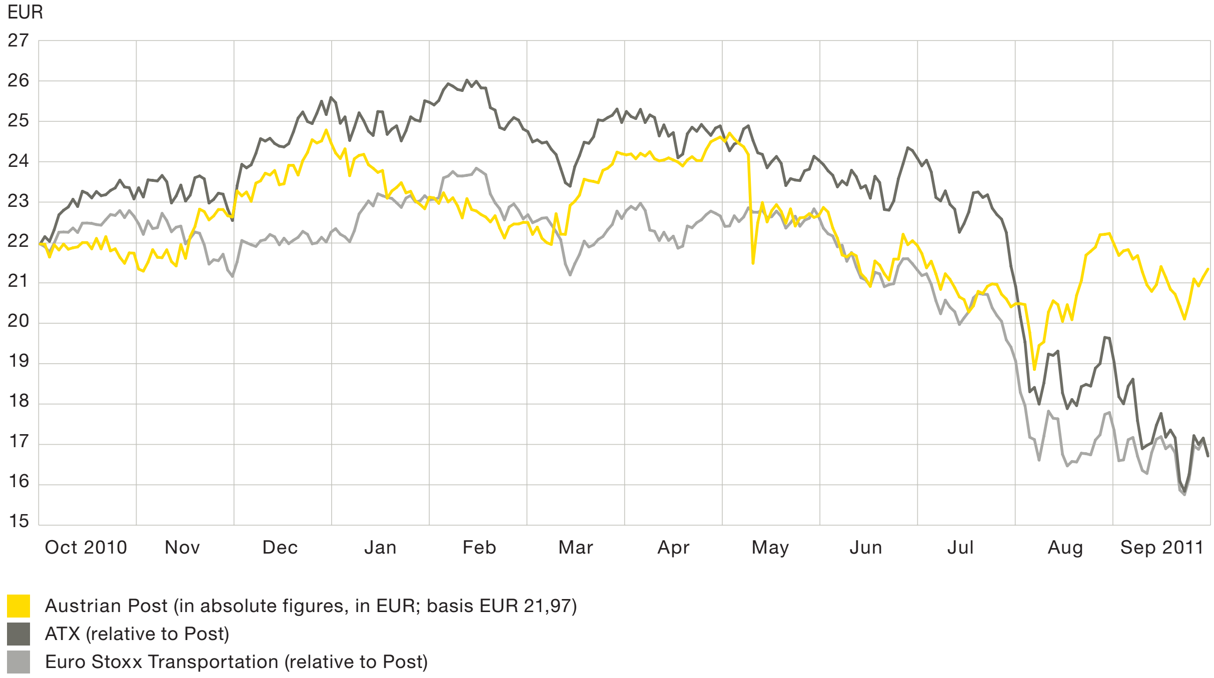
Walter Hitziger
Member of the Management Board

Peter Umundum
Member of the Management Board

FINANCIAL CALENDAR 2012

March 15, 2012	Annual Report 2011 (for release at 7:30–7:40 a.m. CET)
April 7, 2012	Record date for participation at Annual General Meeting
April 17, 2012	Annual General Meeting 2012, Vienna
April 30, 2012	Record date for dividend payment
May 2, 2012	Ex-dividend day and dividend payment day
May 16, 2012	Interim report for the first quarter 2012 (for release at 7:30–7:40 a.m. CET)
August 10, 2012	Half-year financial report 2012 (for release at 7:30–7:40 a.m. CET)
November 16, 2012	Interim report for the first three quarters 2012 (for release at 7:30–7:40 a.m. CET)

DEVELOPMENT OF THE AUSTRIAN POST SHARE (LAST 12 MONTHS)



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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: November 9, 2011

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