Q1–3 2013

Interim report for the first three quarters of 2013 | Austrian Post

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REVENUE IMPROVED
SLIGHT INCREASE IN BOTH DIVISIONS (EXCL. BENELUX)

INCREASED EARNINGS
EBIT MARGIN OF 7.6%

OUTLOOK CONFIRMED
STABLE OR SLIGHTLY RISING REVENUE EXPECTED

Post

HIGHLIGHTS Q1–3 2013

- **STABLE MARKET ENVIRONMENT**
  - Satisfactory mail business in Austria, positive revenue effects due to elections
  - Ongoing robust growth in the Austrian parcel market
  - Strong competition in the international parcel business
- **HIGHER REVENUE**
  - Revenue increase Q1–3 of 1.7% (excl. Benelux)
  - Slight growth in both the mail and parcel businesses (excl. Benelux)
- **INCREASED EARNINGS**
  - Non-cash balance sheet measures in the third quarter
  - Slightly improved EBIT Q1–3 of EUR 131.5m in spite of impairment losses
- **OUTLOOK FOR 2013 CONFIRMED**
  - Stable or slightly positive revenue development expected
  - Goal of earnings improvement

OVERVIEW OF KEY INDICATORS

		Q1–3 2012 adjusted[1]	Q1–3 2013	Change %
Income statement				
Revenue	EUR m	1,722.9	1,734.2	0.7%
Revenue excl. Benelux subsidiaries[2]	EUR m	1,705.7	1,734.2	1.7%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	EUR m	193.2	222.6	15.2%
EBITDA margin[3]	%	11.2%	12.8%	–
Earnings before interest and tax (EBIT)	EUR m	131.0	131.5	0.4%
EBIT margin[3]	%	7.6%	7.6%	–
Earnings before tax (EBT)	EUR m	128.9	128.7	–0.1%
Profit for the period	EUR m	99.0	104.9	6.0%
Earnings per share (EUR)[4]	EUR	1.47	1.54	5.2%
Employees (average for the period, full-time equivalents)		23,260	24,257	4.3%
Cash flow				
Operating cash flow before changes in net working capital	EUR m	202.2	236.8	17.1%
Cash flow from operating activities	EUR m	171.9	171.7	–0.1%
Investment in property, plant and equipment (CAPEX)	EUR m	–52.8	–63.4	20.0%
Acquisition/disposal of subsidiaries	EUR m	–38.0	–71.5	88.1%
Free cash flow before acquisitions/securities	EUR m	124.1	109.1	–12.0%

		Dec. 31, 2012	Sept. 30, 2013	Change %
Balance sheet				
Total assets	EUR m	1,700.8	1,606.9	–5.5%
Equity	EUR m	708.6	684.9	–3.3%
Non-current assets	EUR m	1,047.6	1,090.7	4.1%
Current assets	EUR m	653.2	516.2	–21.0%
Net debt	EUR m	68.5	139.7	>100%
Equity ratio	%	41.7%	42.6%	–
Capital employed	EUR m	713.2	753.7	5.7%

[1] Adjusted due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles
[2] The closing of the disposal of trans-o-flex Nederland B.V. took place as of March 15, 2012, for trans-o-flex Belgium B.V.B.A as of May 31, 2012
[3] EBIT and EBITDA in relation to total revenue
[4] Undiluted earnings per share, in relation to 67,552,638 shares

Note: Austrian Post refers to the Group, Österreichische Post AG refers to the parent company

STATEMENT BY THE MANAGEMENT BOARD

LADIES AND GENTLEMEN!
DEAR SHAREHOLDERS!

The positive development during the first half of 2013 continued in the third quarter of the year. Accordingly, total revenue of Austrian Post in the first nine months of the current financial year, adjusted to take account of the disposed Benelux subsidiaries, increased by 1.7% from the previous year. In particular, the mail business developed very gratifyingly, benefitting in part from special effects. In addition to the revenue contributions of the newly acquired companies in Central and Eastern Europe, parliamentary elections and several regional elections and referendums generated additional revenue. At the same time, the structural trend of declining letter mail volumes as a consequence of electronic substitution is continuing. Moreover, the advertising spending of several customer sectors remains restrained due to slow economic momentum. The Austrian parcel business, in turn, continues to profit from the online shopping boom. As a result, both the private and business customer segments once again posted growth during the period under review.

The situation in the international parcel and logistics business is more difficult. In particular, the German trans-o-flex Group is subject to strong competition and high price pressure. This also turns out to be the reason for a special effect which impacted the earnings situation of the Group in the reporting period. In light of the challenging market environment which trans-o-flex Group faces and the reduced earnings situation we reported an impairment loss on goodwill of EUR 27.0m in the third quarter of 2013. On an operational level, within the context of a far-reaching earnings improvement programme external services at important locations are being reintergrated in order to sustainably improve the earnings situation.

In addition to the non-cash effect of the above-mentioned impairment on goodwill there were also positive special effects such as the added revenue generated by the election year 2013 and a decline in the provisions required in the third quarter. As a result, earnings before interest and tax (EBIT) of Austrian Post improved slightly to EUR 131.5m. The earnings per share at EUR 1.54 also surpassed the prior-year level. Based on these results, we can confirm our outlook for the 2013 financial year. Revenue should remain stable or increase slightly, and we are striving to improve EBIT.

In order to achieve these targets, we will attach great importance to cost discipline and efficiency enhancement throughout the Group also in the future, and simultaneously push ahead with our efforts to modernise business processes. We also want to exploit opportunities in promising markets. We recently achieved an important milestone in this direction with the acquisition of a 25% stake in Aras Kargo a.s., through which we entered the Turkish parcel market. In order to further enhance our level of service, the focus of all our activities will be persistently oriented to the needs of our customers.

Vienna, November 6, 2013

The Management Board

Georg Pölzl
Chairman of the Management Board
Chief Executive Officer

Walter Oblin
Member of the Management Board
Chief Financial Officer

Walter Hitziger
Member of the Management Board
Mail & Branch Network Division

Peter Umundum
Member of the Management Board
Parcel & Logistics Division

BUSINESS ENVIRONMENT AND LEGAL FRAMEWORK

ECONOMIC AND MARKET ENVIRONMENT

Initial indications of an economic recovery have manifested in Europe, and overall confidence in the economy is slowly increasing. However, the impetus to growth continues to remain weak. Economic output in the entire European continent is expected to rise slightly by 0.3% in 2013, whereas the economy of the eurozone is predicted to contract by about 0.4%. According to the International Monetary Fund, Europe's economy is expected to expand by 1.4% in 2014 and GDP in the eurozone by 1.0% (IMF, October 2013). The Austrian market is developing more favourably than the European average. In the fourth quarter of 2013, the domestic economy will likely pick up, resulting in GDP growth of 0.4% in 2013 as a whole. The Austrian economy is predicted to recover even more in 2014. However, due to the ongoing structural problems in the eurozone, the upturn will not match the strength of previous upswings. The Austrian Institute of Economic Research (WIFO) predicts GDP growth of 1.7% in 2014 (WIFO, October 2013). Similar growth rates are also expected for Germany, which should generate GDP growth of 0.5% in 2013 and 1.4% in 2014 according to the latest forecasts (IMF, October 2013).

The outlook for Central and Eastern Europe is more favourable. This region is already showing moderate growth of 2.3% in 2013, which should rise to 2.7% in 2014. Among our main operating markets, Hungary (0.2%), Bulgaria (0.5%) and Slovakia (0.8%) are predicted to post weaker increases in 2013. However, clearly higher growth is expected in 2014 (Hungary: 1.3%, Bulgaria: 1.6%, Slovakia: 2.3%). The Croatian economy is also expected to recover following a contraction of the economy in 2013 (minus 0.6%), and expand by 1.5% in 2014. The markets in Poland (1.3%), Romania (2.0%), Serbia (2.0%) and Turkey (3.8%) are developing very positively. According to the latest forecasts, all of these countries are predicted to expand their economies above the 2% threshold in 2014, with the promising Turkish market achieving a disproportionately high growth rate of 3.5% (IMF, October 2013).

In addition to the overall economic environment, the business development of Austrian Post is mainly influenced by the following structural trends: in the mail business, the electronic substitution of traditional letter mail is continuing. In turn, the volume of direct mail items depends on the intensity of advertising activities by companies. According to Media FOCUS Research, advertising spending is anticipated to increase in 2013 as a whole, driven by the online, cinema and TV segments. In contrast, expenditures on conventional advertising flyers and brochures are currently declining. The outlook for addressed direct mail items is somewhat more favourable (Forecast September 2013). Parcel volumes in Austria should continue to increase due to the growing importance of online shopping. The development of the international parcel and freight business is considerably dependent on general economic trends, international trade flows and related price developments. However, competitive intensity and price pressure will remain high.

LEGAL FRAMEWORK

The legal framework for Austrian Post's business operations is mainly based on the Postal Market Act which took full effect on January 1, 2011. Even after full-scale market liberalisation, Austrian Post remains the universal service provider guaranteeing high quality postal services throughout Austria. Since the beginning of 2011, the range of universal postal services has been limited to mail items posted at the legally stipulated access points. Moreover, a licence must be obtained conferring the right to carry out postal delivery services for letters weighing up to 50 grams.

The Post Survey Ordinance, which took effect on July 1, 2013, stipulates that Austrian Post, along with all postal service providers, is legally obliged to report certain statistical data to the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR) on a quarterly basis. RTR must be provided with details on shipment volumes and sales of specified products (e.g. domestic/international mail items, domestic/international parcel shipments, registered mail items, official government mail) as well as the number of postal service points and distribution centres, the number of letter mail drop-off boxes and the number of employees and infrastructure investments, amongst other data. Aggregate data supplied by all postal providers must be published, provided that no conclusions can be drawn with respect to the data of individual companies. Fulfilling the obligations stipulated in this ordinance will lead to increased operating expenses and staff costs on the part of Austrian Post.

BUSINESS DEVELOPMENT AND ECONOMIC SITUATION

CHANGES IN THE CONSOLIDATION SCOPE AND ACCOUNTING

Austrian Post exercised its option to increase its shareholding in M&BM Express OOD, Bulgaria by 25% to 51% as of April 1, 2013. The company was fully consolidated effective February 1, 2013 due to the fact that this option could already be exercised as of February 2013. A further option entitles Austrian Post to acquire an additional 25% stake in M&BM Express OOD in 2014 and thus increase its total shareholding to a maximum of 76%.

In addition, Austrian Post acquired the remaining 50% stake in FEIPRO Vertriebs GesmbH effective February 1, 2013. The company was fully integrated in the consolidated financial statements of Austrian Post as of this date.

The closing for the acquisition of a 25% stake in the Turkish parcel service provider Aras Kargo a.s. took place on July 30, 2013. The 25% shareholding was included in the consolidated financial statements of Austrian Post as a joint venture consolidated at equity. Austrian Post also has a call option which it can exercise in 2016, entitling it to acquire an additional 50% of the shares based on Aras Kargo's business results in 2015/16, in which case Austrian Post's stake would rise to a total of 75%.

With respect to its accounting policies, Austrian Post took advantage of the opportunity to apply the revised standard IAS 19 ahead of schedule. The prior-year figures for staff costs, results of investments consolidated at equity, income tax and the respective earnings items have been adjusted accordingly in the following tables.

REVENUE AND EARNINGS DEVELOPMENT

In the first three quarters of 2013, Austrian Post's reported revenue totalled EUR 1,734.2m, an increase of 0.7% from the comparable prior-year period. Adjusted to take account of the revenue of EUR 17.3m generated by the disposed and deconsolidated subsidiaries in the Benelux region in the first half of 2012, the revenue increase in the first three quarters of 2013 amounted to 1.7%.

Revenue of the Mail & Branch Network Division rose by 1.5%, or EUR 16.5m, to EUR 1,107.7m. On the one hand, this gratifying development can be attributed to the consolidation of new subsidiaries in Poland, Romania and Bulgaria (EUR 17.5m). On the other hand, the revenue increase is also due to the positive impetus provided by elections and referendums held in Austria during the first nine months of 2013. In addition, services offered in the field of Mail Solutions also posted growth during the reporting period.

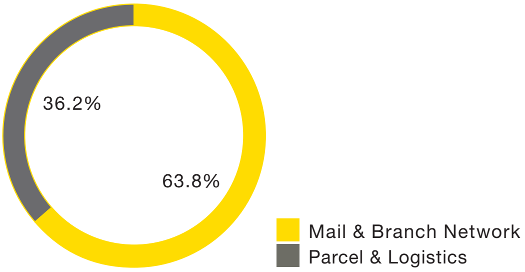
In the Parcel & Logistics Division, revenue in the first three quarters of 2013, adjusted to take account of the disposed subsidiaries in the Benelux region, rose by 2.1% to EUR 627.5m. From a regional perspective, the Austrian parcel market generated the strongest growth, with revenue up 9.6%, whereas revenue declined in Germany by 2.1%.

REVENUE BY DIVISION[1]

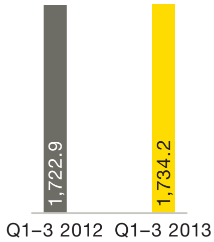
EUR m	Q1–3 2012	Q1–3 2013	%	Change EUR m	Q3 2012	Q3 2013
Total revenue	**1,722.9**	**1,734.2**	**0.7%**	**11.3**	**549.8**	**561.1**
Revenue excl. Benelux subsidiaries[2]	**1,705.7**	**1,734.2**	**1.7%**	**28.5**	**549.8**	**561.1**
Mail & Branch Network	1,091.2	1,107.7	1.5%	16.5	349.6	353.1
Parcel & Logistics	632.0	627.5	–0.7%	–4.5	201.1	208.5
Parcel & Logistics excl. Benelux subsidiaries[2]	614.7	627.5	2.1%	12.7	201.1	208.5
Corporate	10.6	5.1	–52.5%	–5.6	5.3	1.3
Consolidation	–10.9	–6.0	44.8%	4.9	–6.2	–1.8
Calendar working days in Austria	188	188	–	–	64	65

[1] External sales of the divisions
[2] The closing of the disposal of trans-o-flex Nederland B.V. took place as of March 15, 2012, for trans-o-flex Belgium B.V.B.A as of May 31, 2012

REVENUE BY DIVISION
%



REVENUE BY DIVISION
EUR m



INCOME STATEMENT

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013	%	Change EUR m	Q3 2012 adjusted[1]	Q3 2013
Revenue	**1,722.9**	**1,734.2**	**0.7%**	**11.3**	**549.8**	**561.1**
Other operating income	49.6	50.2	1.0%	0.5	16.4	16.1
Raw materials, consumables and services used	–562.9	–556.5	–1.1%	–6.4	–183.5	–184.1
Staff costs	–794.8	–784.4	–1.3%	–10.4	–247.8	–233.8
Other operating expenses	–209.5	–216.0	3.1%	6.5	–67.1	–75.0
Results of investments consolidated at equity	–12.1	–4.9	59.7%	7.2	–10.1	–1.6
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**193.2**	**222.6**	**15.2%**	**29.4**	**57.8**	**82.7**
Depreciation, amortisation and impairments	–62.1	–91.0	46.5%	28.9	–21.5	–49.5
Earnings before interest and tax (EBIT)	**131.0**	**131.5**	**0.4%**	**0.5**	**36.3**	**33.2**
Other financial result	–2.1	–2.8	–32.7%	–0.7	–1.2	–0.8
Earnings before tax (EBT)	**128.9**	**128.7**	**–0.1%**	**–0.2**	**35.1**	**32.3**
Income tax	–29.9	–23.9	–20.3%	–6.1	–8.7	–3.9
Profit for the period	**99.0**	**104.9**	**6.0%**	**5.9**	**26.3**	**28.4**
Earnings per share (EUR)[2]	1.47	1.54	5.2%	0.08	0.39	0.42

[1] Adjusted due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles
[2] Undiluted earnings per share, in relation to 67,552,638 shares

The positive revenue development of the Group included increases in Austria and in South East and Eastern Europe, whereas revenue declined in the German parcel and logistics business, which is characterised by a high share of external transport services. This is the underlying reason for the decrease in operating expenses for raw materials, consumables and services used, which fell by 1.1% to EUR 556.5m.

Staff costs were down slightly by 1.3% year-on-year to EUR 784.4m. This figure encompasses all operational staff costs as well as non-operational staff costs in the Group, which are primarily designed to enable a sustainable improvement in the cost structure, such as severance payments, restructuring measures and provisions.

Operational staff costs amounted to EUR 764.4m in the first three quarters of the year, equivalent to a slight rise of 0.5%. Non-operational staff costs totalled EUR 19.9m in the nine months of 2013 compared to the prior-year level of EUR 34.0m. In addition to ongoing severance payments, this figure also includes changes in provisions. Due to the continuing reduction in the workforce, the need for provisions for employee under-utilisation decreased in comparison to 2012. Accordingly, this provision fell by a total of EUR 16.3m in the third quarter of 2013.

As a consequence, total provisions for employee under-utilisation have dropped since the beginning of 2013 from EUR 229.1m to EUR 217.8m.

Other operating income rose by EUR 0.5m during the period under review to EUR 50.2m. This includes income from rents and leases amounting to EUR 19.3m and proceeds from the disposal of property, plant and equipment of EUR 4.2m. Other operating expenses increased by 3.1% to EUR 216.0m.

The results of the investments consolidated at equity amounted to minus EUR 4.9m in the first three quarters of 2013. The comparable prior-year results of minus EUR 12.1m included the impairment loss of EUR 9.6m reported for Austrian Post's stake in the company MEILLERGHP, which is consolidated at equity.

EBITDA BY DIVISION

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013	%	Change EUR m	Q3 2012 adjusted[1]	Q3 2013
Total EBITDA	**193.2**	**222.6**	**15.2%**	**29.4**	**57.8**	**82.7**
Mail & Branch Network	215.1	233.6	8.6%	18.5	62.9	76.2
Parcel & Logistics	32.9	27.9	–15.1%	–5.0	10.6	5.4
Corporate	–54.2	–39.0	28.1%	15.2	–15.0	1.0

EBIT BY DIVISION

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013	%	Change EUR m	Q3 2012 adjusted[1]	Q3 2013
Total EBIT	**131.0**	**131.5**	**0.4%**	**0.5**	**36.3**	**33.2**
Mail & Branch Network	193.4	208.8	8.0%	15.4	56.3	66.9
Parcel & Logistics	17.0	–14.4	–	–31.3	5.3	–26.8
Parcel & Logistics before impairments	17.0	12.6	–25.6%	–4.3	5.3	0.2
Corporate	–78.7	–63.0	19.9%	15.7	–24.8	–7.0

[1] Adjusted due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles

In the first three quarters of 2013, earnings before interest, tax, depreciation and amortisation (EBITDA) of Austrian Post Group increased to EUR 222.6m. The rise of EUR 29.4m is mainly the result of the previously-mentioned reduced need for staff-related provisions to the amount of EUR 16.3m in the third quarter of 2013. As a consequence of this special balance sheet measure, the EBITDA margin improved to 12.8%.

On balance, depreciation, amortisation and impairment losses totalled EUR 91.0m during the period under review. This includes the impairment loss on goodwill for the German trans-o-flex Group. Goodwill on the balance sheet of Austrian Post was written down by the amount of EUR 27.0m to EUR 84.4m, which is related to the intensely competitive market situation and the reduced earnings situation.

These two non-cash special balance sheet measures with respect to staff costs and depreciation, amortisation and impairments resulted in earnings before interest and tax (EBIT) of EUR 131.5m, slightly higher than in the first three quarters of the previous year.

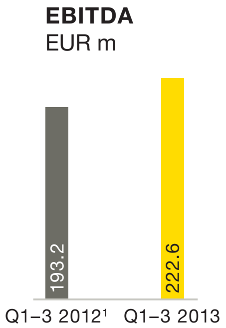
From a divisional perspective, the company's earnings situation is also impacted by the above-mentioned special balance sheet measures. The Mail & Branch Network Division generated an EBIT of EUR 208.8m, a rise of EUR 15.4m. This increase can be attributed to the positive revenue effects in the election year 2013 as well as the fact that earnings in the prior-year period were negatively impacted by an impairment loss of EUR 9.6m recognised for Austrian Post's stake in MEILLERGHP, which is consolidated at equity.

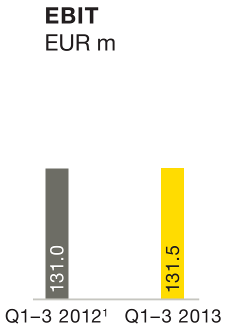
EBIT of the Parcel & Logistics Division in the first three quarters of 2013 amounted to minus EUR 14.4m. However, after taking account of the EUR 27.0m impairment loss on goodwill for the trans-o-flex Group, operating EBIT totalled EUR 12.6m. These earnings also include additional one-off effects of EUR 5.1m, primarily for write-downs on receivables in the third quarter of 2013. The earnings improvement programme in the trans-o-flex Group includes the selective reintegration of external services at important sites. The underlying objective is to improve the cost structure throughout the entire network. In addition, market opportunities will be exploited by a stronger focus on pharmaceuticals and health care on the basis of EU's new Good Distribution Practice (GDP) guidelines.

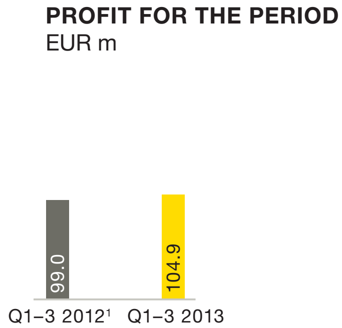
Corporate basically encompasses costs for central departments in the Group as well as staff-related provisions. The above-mentioned reduced allocation to the provision for employee under-utilisation to the amount of EUR 16.3m in the third quarter of 2013 resulted in an improved EBIT of minus EUR 63.0m compared to minus EUR 78.7m in the comparable prior-year period.

Income taxes in the first three quarters of 2013 amounting to EUR 23.9m were below the prior-year level. This is mainly related to the differing tax treatment of the impairment loss reported for trans-o-flex. After deducting income taxes, the Group net profit (profit after tax) in the first three quarters of 2013 amounted to EUR 104.9m, a rise of 6.0% from the results of the prior-year period. Following the deduction of the profit for the period attributable to non-controlling interests, this corresponds to undiluted earnings per share of EUR 1.54, an increase of 5.2%.

EARNINGS INDICATORS







[1] Adjusted due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles

ASSETS AND FINANCES

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

The balance sheet total of Austrian Post amounted to EUR 1,606.9m as of September 30, 2013, of which non-current assets account for 67.9% and current assets account for 32.1%. The non-current assets of EUR 1,090.7m primarily consist of property, plant and equipment at EUR 600.7m. The goodwill reported totalled EUR 162.6m, most of which relates to the trans-o-flex Group. The goodwill reported for the trans-o-flex Group declined to EUR 84.4m as the result of an impairment loss of EUR 27.0m taken in the third quarter of 2013. Receivables at EUR 288.3m comprise the single largest balance sheet item in current assets. Cash and cash equivalents decreased to EUR 209.5m during the reporting period, which is due, amongst other reasons, to the payment of about EUR 50m for a 25% stake in the Turkish company Aras Kargo a.s.

On the equity and liabilities side, the balance sheet of Austrian Post features a high equity ratio, which amounted to 42.6% as of September 30, 2013. Equity of the Austrian Post Group amounted to EUR 684.9m at the end of September 2013, which includes EUR 2.1m in equity attributable to non-controlling interests of M&BM Express OOD, Bulgaria, which was fully consolidated as of February 1, 2013. Non-current liabilities were EUR 422.9m at the end of the reporting period, and current liabilities amounted to EUR 499.1m. Provisions totalling EUR 543.9m comprise the largest single liabilities item, including the provision for employee under-utilisation of EUR 217.8m, down from EUR 229.1m at the beginning of the year. Trade payables amounted to EUR 198.6m as of September 30, 2013.

An analysis of the financial position of the company shows a high level of current and non-current financial resources to the amount of EUR 268.3m (cash and cash equivalents of EUR 209.5m as well as financial investments in securities of EUR 58.8m). These financial resources are in contrast to financial liabilities of only EUR 23.8m.

BALANCE SHEET STRUCTURE

EUR m	Dec. 31, 2012	Sept. 30, 2013	Structure Sept. 30, 2013
Assets			
Property, plant and equipment, intangible assets and goodwill	849.6	826.9	51.5%
Investment property	37.8	36.2	2.3%
Investments consolidated at equity	7.1	54.0	3.4%
Inventories, receivables and other	439.1	409.3	25.5%
Financial investments in securities	39.9	58.8	3.7%
Other financial assets	12.2	12.2	0.8%
Cash and cash equivalents	315.0	209.5	13.0%
	1,700.8	**1,606.9**	**100.0%**
Equity and liabilities			
Equity[1]	708.6	684.9	42.6%
Provisions	554.5	543.9	33.8%
Financial liabilities	22.9	23.8	1.5%
Payables and other	414.8	354.3	22.0%
	1,700.8	**1,606.9**	**100.0%**

[1] The item “Equity” includes equity attributable to non-controlling interests of EUR 2.1m

CASH FLOW

EUR m	Q1–3 2012	Q1–3 2013
Operating cash flow before changes in net working capital[1]	**202.2**	**236.8**
Cash flow from changes in net working capital[1]	–30.2	–65.0
Cash flow from operating activities	**171.9**	**171.7**
Cash flow from investing activities	–78.9	–152.5
thereof CAPEX	–52.8	–63.4
thereof cash flow from acquisitions/divestments	–38.0	–71.5
thereof acquisition/disposal of securities	7.0	–18.4
Free cash flow	**93.0**	**19.2**
Free cash flow before acquisitions/securities	**124.1**	**109.1**
Cash flow from financing activities	–124.3	–124.7
Net change in cash and cash equivalents	**–31.2**	**–105.5**

[1] Reporting adapted for 2012: Offsetting of reclassification of non-current provisions to current provisions and liabilities. Thus, from now on, the allocation to or reversal of non-current provisions is recognised in the operating cash flow before changes in working capital, whereas their use is reported as changes in net working capital.

In the first nine months of 2013, operating cash flow before changes in working capital totalled EUR 236.8m, slightly above the prior-year level. On balance, the changes in net working capital totalled minus EUR 65.0m during the period under review, compared to minus EUR 30.2m in the first three quarters of 2012. The difference can be mainly attributed to the reduction in liabilities, the higher level of receivables as well as the reduction of current provisions. As a result of this development, the cash flow from operating activities amounted to EUR 171.7m, nearly identical to the comparable prior-year figure.

The cash flow from investing activities of minus EUR 152.5m in the first three quarters of 2013 was primarily impacted by higher cash outflows for acquisitions and capital expenditures. Payments for the purchase of property, plant and equipment (CAPEX) totalled EUR 63.4m during the period under review, including investments of EUR 10.8m relating to the new logistics centre in Upper Austria which will be completed by the middle of 2014. In addition, cash outflows of EUR 71.5m were for acquisitions. The main part, or EUR 50m, related to the acquisition of a 25% stake in the Turkish company Aras Kargo a.s. Moreover, there was a change in cash flow relating to the securities portfolio, which shifted investments of cash and cash equivalents at the amount of EUR 20.9m to medium-term securities. On balance, free cash flow before acquisitions and securities totalled EUR 109.1m in the first three quarters of 2013.

INVESTMENTS

In the first three quarters of 2013, costs for capital expenditure for property, plant and equipment and intangible assets rose slightly by EUR 2.3m from the comparable prior-year period to EUR 61.3m, of which EUR 4.0m consisted of investments in intangible assets and EUR 57.3m in property, plant and equipment. In addition to the ongoing replacement of the vehicle fleet, the investment programme carried out during the period under review primarily focused on various investments in mail and parcel distribution facilities, replacement investments in the field of hardware, software solutions and security systems. Furthermore, Austrian Post pressed ahead with the restructuring of its branch network in collaboration with BAWAG P.S.K. during the first three quarters of 2013.

EMPLOYEES

The average number of full-time employees at the Austrian Post Group totalled 24,257 people in the first nine months of 2013. This comprises an increase of 996 employees from the prior-year period, about 1,600 of whom can be attributed to the newly acquired subsidiaries in Austria, Poland, Bulgaria and Romania. Most of Austrian Post's staff is employed by the parent company Österreichische Post AG (a total of 19,096 full-time equivalents).

EMPLOYEES BY DIVISION

Average for the period, full-time equivalents	Q1–3 2012	Q1–3 2013	Share in %
Mail & Branch Network	17,294	18,112	74.7%
Parcel & Logistics	4,001	4,081	16.8%
Corporate	1,965	2,064	8.5%
Total	**23,260**	**24,257**	**100.0%**

MAIN RISKS AND UNCERTAINTIES

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

The main risks and uncertainties which Austrian Post faces, such as the structure of employment contracts, technical, regulatory and legal risks, financial as well as market and competitive risks and information on the internal controlling system and risk management with regard to the accounting process are described in detail in the Annual Report 2012 of Austrian Post (see the Annual Report; Part 2 "Facts & Figures", pages 37–42 and 104–109).

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

OUTLOOK 2013

Austrian Post maintains its outlook for the entire year 2013. A stable or slightly positive revenue development is expected for the 2013 financial year. The basic trends impacting the mail and parcel businesses will continue.

Revenue in the mail segment is primarily impacted by the ongoing volume decline of traditional addressed letter mail due to electronic substitution, which is likely to amount to 3–5% p.a., reflecting international trends. The market for addressed and unaddressed direct mail items is anticipated to remain weak as a consequence of slow economic momentum. The positive volume effects related to various elections and referendums in Austria will no longer have an impact in the fourth quarter of 2013. The parcel business should continue to profit from growth in the private customer segment, whereas the intensive level of competition in the business customer segment is expected to continue, especially in the German market.

Enhancing the profitability of the services offered will continue to be a key focal point of the Group's mail and parcel operations. For this reason, Austrian Post will maintain its efforts to promote efficiency increases in the Group. Austrian Post remains committed to its goal to improve earnings before interest and tax (EBIT) in 2013. For the medium-term, Austrian Post confirms the targeted EBITDA margin in the range of 10–12%.

The operating cash flow generated by Austrian Post will continue to be used prudently and in a targeted manner to finance sustainable future-oriented investments. Total capital expenditure is expected to reach a level of about EUR 90m in 2013, mainly focusing on the replacement of existing facilities and thus their continuous modernisation and efficiency enhancement.

SIGNIFICANT EVENTS AFTER THE INTERIM REPORTING PERIOD

On October 14, 2013, Austrian Post acquired a 100% stake in four distribution companies in Germany (Cologne, Duisburg, Dortmund and Meinerzhagen). These companies are included as fully consolidated companies in the consolidated financial statements of Austrian Post as of the day marking the closing of the transaction. The companies are among the most important distribution partners of the trans-o-flex Group, and their four locations serve the North Rhine-Westphalia economic region. The acquisition enables trans-o-flex to manage more stringently key aspects of its overall distribution logistics.

PERFORMANCE OF DIVISIONS

MAIL & BRANCH NETWORK DIVISION

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013	%	Change EUR m	Q3 2012 adjusted[1]	Q3 2013
External sales	**1,091.2**	**1,107.7**	**1.5%**	**16.5**	**349.6**	**353.1**
Letter Mail & Mail Solutions	571.9	580.9	1.6%	9.0	181.7	183.5
Direct Mail	318.9	324.2	1.7%	5.4	105.2	104.5
Media Post	102.4	103.5	1.0%	1.0	30.8	32.7
Branch Services	98.0	99.1	1.2%	1.1	31.9	32.3
Internal sales	50.1	54.2	8.2%	4.1	16.5	17.7
Total revenue	1,141.3	1,161.9	1.8%	20.6	366.1	370.8
EBITDA	**215.1**	**233.6**	**8.6%**	**18.5**	**62.9**	**76.2**
Depreciation, amortisation and impairments	–21.8	–24.8	14.1%	3.1	–6.6	–9.4
EBIT	**193.4**	**208.8**	**8.0%**	**15.4**	**56.3**	**66.9**
EBITDA margin[2]	18.9%	20.1%	–	–	17.2%	20.6%
EBIT margin[2]	16.9%	18.0%	–	–	15.4%	18.0%
Employees[3]	17,294	18,112	4.7%	817	–	–

[1] Adjusted due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles
[2] EBIT and EBITDA in relation to total revenue
[3] Average for the period, full-time equivalents

Divisional revenue developed very positively in the first three quarters of 2013, increasing by 1.5% to EUR 1,107.7m. This development can be mainly attributed to the first-time full consolidation of new Group subsidiaries (EUR 17.5m) and the positive effects of various elections and referendums in Austria.

Revenue in the field of Letter Mail & Mail Solutions climbed by 1.6% from the prior-year period, rising to EUR 580.9m. The substitution of letter mail by electronic media is continuing as before. Such decreases took place, for example, in the telecommunications customer segment. In contrast, various elections provided added impetus, due to the fact that the possibility of voting by absentee ballot has emerged as a popular instrument of direct democracy. New services offered in the field of Mail Solutions also posted growth.

Revenue in the field of Direct Mail also increased in the first three quarters of 2013, climbing by 1.7% to EUR 324.2m. The rise here was also due to the newly consolidated subsidiaries and the positive effects of elections on the business. The weaker economy and the pressure of online business on retail stores have diminished advertising spending. Media Post revenue rose as well by 1.0% during the first nine months of 2013 to EUR 103.5m, and Branch Services revenue was up 1.2% to EUR 99.1m. This can be primarily attributed to higher sales of mobile telephony products, which compensated for the decline in financial services.

On balance, EBIT of the Mail & Branch Network Division improved by EUR 15.4m, which is due to the good revenue development as well as the impairment loss of EUR 9.6m reported in the previous year on the company MEILLERGHP, which is consolidated at equity.

PARCEL & LOGISTICS DIVISION

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013	%	Change EUR m	Q3 2012 adjusted[1]	Q3 2013
External sales	**632.0**	**627.5**	**–0.7%**	**–4.5**	**201.1**	**208.5**
Premium Parcel	483.8	474.1	–2.0%	–9.7	154.3	159.8
Standard Parcel	126.8	130.1	2.7%	3.4	40.2	40.6
Other Parcel Services	21.5	23.3	8.3%	1.8	6.6	8.1
External sales excl. Benelux subsidiaries[2]	**614.7**	**627.5**	**2.1%**	**12.7**	**201.1**	**208.5**
Internal sales	6.5	5.7	–12.1%	–0.8	2.0	1.8
Total revenue	638.5	633.2	–0.8%	–5.3	203.2	210.2
EBITDA	**32.9**	**27.9**	**–15.1%**	**–5.0**	**10.6**	**5.4**
Depreciation and amortisation	–15.9	–15.3	–3.9%	–0.6	–5.2	–5.1
Impairments	0.0	–27.0	–	27.0	–	–27.0
EBIT	17.0	–14.4	<–100%	–31.3	5.3	–26.8
EBIT before impairments	**17.0**	**12.6**	**–25.6%**	**–4.3**	**5.3**	**0.2**
EBITDA margin[3]	5.1%	4.4%	–	–	5.2%	2.6%
EBIT margin[3]	2.7%	2.0%	–	–	2.6%	0.1%
Employees[4]	4,001	4,081	2.0%	81	–	–

[1] Adjusted due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles
[2] The closing of the disposal of trans-o-flex Nederland B.V. took place as of March 15, 2012, for trans-o-flex Belgium B.V.B.A as of May 31, 2012
[3] EBIT and EBITDA in relation to total revenue, EBIT margin in relation to EBIT before impairments
[4] Average for the period, full-time equivalents

External sales of the Parcel & Logistics Division decreased by 0.7% to EUR 627.5m in the first three quarters of 2013. However, the prior-year period still included the revenue achieved by the Benelux subsidiaries disposed of during the first half of 2012. Adjusted to take account of the former Benelux subsidiaries, the division actually achieved a 2.1% revenue increase in a year-on-year comparison. This growth was driven by increases in Austria and in South East and Eastern Europe. In contrast, revenue slightly declined in Germany.

Premium Parcels (parcel delivery within 24 hours), which are mainly used in the business-to-business segment, generated revenue of EUR 474.1m in the first three quarters of 2013, a decrease of 2.0% from the previous year. This decline is primarily due to the deconsolidation of the Benelux subsidiaries as well as the downward trend in Germany. Parcel volumes in the business customer and higher-value private customer segments in Austria showed above-average increases.

Standard Parcels, which mainly involve shipments to private customers, posted growth. Revenue rose by 2.7% to EUR 130.1m. Other Parcel Services generated revenue of EUR 23.3m during the period under review. This field includes various additional logistics services such as fulfilment, warehousing and cash logistics.

The earnings development of the Parcel & Logistics Division was impacted by special effects relating to the trans-o-flex Group. In addition to an impairment loss of EUR 27.0m recognised on goodwill, write-downs of EUR 5.1m were recognised for outstanding receivables. External services at trans-o-flex are being reintegrated at selected sites within the context of an earnings improvement programme. Moreover, a stronger focus will be put on the pharmaceutical and healthcare market.

For this reason, EBIT of the Parcel & Logistics Division before impairments was below the prior-year level at EUR 12.6m. Accordingly, the EBIT margin was 2.0% in the first three quarters of 2013.

Vienna, November 6, 2013

The Management Board

Georg Pölzl
Chairman of the Management Board
Chief Executive Officer

Walter Oblin
Member of the Management Board
Chief Financial Officer

Walter Hitziger
Member of the Management Board
Mail & Branch Network Division

Peter Umundum
Member of the Management Board
Parcel & Logistics Division

IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE FIRST THREE QUARTERS OF 2013

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013	Q3 2012 adjusted[1]	Q3 2013
Revenue	1,722.9	1,734.2	549.8	561.1
Other operating income	49.6	50.2	16.4	16.1
Total operating income	**1,772.5**	**1,784.4**	**566.2**	**577.2**
Raw materials, consumables and services used	–562.9	–556.5	–183.5	–184.1
Staff costs	–794.8	–784.4	–247.8	–233.8
Depreciation, amortisation and impairment losses	–62.1	–91.0	–21.5	–49.5
Other operating expenses	–209.5	–216.0	–67.1	–75.0
Total operating expenses	**–1,629.4**	**–1,647.9**	**–519.8**	**–542.5**
Profit from operations	**143.2**	**136.4**	**46.4**	**34.7**
Results of investments consolidated at equity	–12.1	–4.9	–10.1	–1.6
Financial income	5.0	2.9	1.2	1.0
Financial expenses	–7.1	–5.7	–2.4	–1.8
Other financial result	–2.1	–2.8	–1.2	–0.8
Total financial result	**–14.3**	**–7.7**	**–11.3**	**–2.4**
Profit before tax	**128.9**	**128.7**	**35.1**	**32.3**
Income tax	–29.9	–23.9	–8.7	–3.9
Profit for the period	**99.0**	**104.9**	**26.3**	**28.4**
Attributable to:				
equity holders of the parent company	99.0	104.1	26.3	28.2
non-controlling interests	0.0	0.7	0.0	0.2
Basic earnings per share (EUR)	**1.47**	**1.54**	**0.39**	**0.42**
Diluted earnings per share (EUR)	**1.45**	**1.53**	**0.39**	**0.42**
Profit from operations	143.2	136.4	46.4	34.7
Results of investments consolidated at equity	–12.1	–4.9	–10.1	–1.6
Earnings before interest and tax (EBIT)	**131.0**	**131.5**	**36.3**	**33.2**
Depreciation, amortisation and impairment losses	62.1	91.0	21.5	49.5
Earnings before tax, interest, depreciation and amortisation (EBITDA)	**193.2**	**222.6**	**57.8**	**82.7**

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST THREE QUARTERS OF 2013

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013	Q3 2012 adjusted[1]	Q3 2013
Profit for the period	**99.0**	**104.9**	**26.3**	**28.4**
Items that will be reclassified subsequently to the income statement:				
Currency translation differences	0.5	–0.6	0.5	–0.3
Currency translation differences of investments consolidated at equity	0.2	–3.8	0.1	–3.6
Revaluation of financial instruments held for sale	3.4	0.5	1.1	0.4
Deferred taxes	–0.8	–0.1	–0.3	–0.1
Total items that will be reclassified	**3.2**	**–4.0**	**1.4**	**–3.7**
Items that will not be reclassified subsequently to the income statement:				
Revaluation of defined benefit obligations	–5.5	0.0	–3.0	0.0
Deferred taxes	1.4	0.0	0.8	0.0
Total items that will not be reclassified	**–4.1**	**0.0**	**–2.2**	**0.0**
Other comprehensive income	**–0.9**	**–4.0**	**–0.8**	**–3.7**
Total comprehensive income	**98.1**	**100.9**	**25.5**	**24.8**
Attributable to:				
equity holders of the parent company	98.1	100.1	25.5	24.6
non-controlling interests	0.0	0.7	0.0	0.2

[1] Adjustment due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2013

EUR m	Dec. 31, 2012	Sept. 30, 2013
Assets		
Non-current assets		
Goodwill	183.5	162.6
Intangible assets	66.2	63.6
Property, plant and equipment	599.9	600.7
Investment property	37.8	36.2
Investments consolidated at equity	7.1	54.0
Financial investments in securities	39.7	57.7
Other financial assets	12.2	12.2
Receivables	37.2	32.9
Deferred tax assets	63.9	70.9
	1,047.6	**1,090.7**
Current assets		
Financial investments in securities	0.2	1.1
Inventories	16.1	17.2
Receivables	321.9	288.3
Cash and cash equivalents	315.0	209.5
	653.2	**516.2**
	1,700.8	**1,606.9**
Equity and liabilities		
Equity		
Share capital	337.8	337.8
Capital reserves	130.5	130.5
Revenue reserves	125.1	122.3
Revaluation of financial instruments	–1.9	–1.5
Revaluation of defined benefit obligations	–4.5	–4.5
Currency translation reserves	–1.6	–6.0
Profit for the period	123.2	104.1
Equity attributable to the shareholders of the parent company	**708.6**	**682.7**
Equity attributable to non-controlling interests	**0.0**	**2.1**
	708.6	**684.9**
Non-current liabilities		
Provisions	393.0	379.2
Financial liabilities	19.8	18.3
Payables	20.2	15.0
Deferred tax liabilities	12.2	10.4
	445.2	**422.9**
Current liabilities		
Provisions	149.6	152.3
Tax provisions	11.9	12.4
Financial liabilities	3.1	5.5
Payables	382.4	328.9
	547.0	**499.1**
	1,700.8	**1,606.9**

CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST THREE QUARTERS OF 2013

EUR m	Q1–3 2012 adjusted[1]	Q1–3 2013
Operating activities		
Profit before tax	128.9	128.7
Depreciation, amortisation and impairment losses	62.1	91.0
Results of investments consolidated at equity	12.1	4.9
Write-ups, write-downs of financial instruments	–0.1	0.0
Non-current provisions[2]	50.7	37.5
Gain/loss on the disposal of non-current assets	–3.2	–2.0
Gain/loss on the disposal of financial instruments	0.1	0.0
Taxes paid	–41.8	–26.9
Net interest received/paid	–3.2	–1.1
Currency translation	0.1	–0.3
Other non-cash transactions	–3.6	5.0
Operating cash flow before changes in working capital	**202.2**	**236.8**
Changes in working capital		
Receivables	9.5	31.5
Inventories	1.0	–0.4
Current provisions[2]	–36.6	–46.6
Payables[2]	–4.2	–49.6
Cash flow from changes in working capital	**–30.2**	**–65.0**
Cash flow from operating activities	**171.9**	**171.7**
Investing activities		
Purchase of intangible assets	–4.2	–7.1
Purchase of property, plant and equipment and investment property	–52.8	–63.4
Proceeds from the disposal of non-current assets	8.2	8.5
Acquisition of subsidiaries	–17.2	–15.4
Disposal of subsidiaries	–15.5	0.0
Acquisition of investments consolidated at equity	–5.4	–56.1
Acquisition of financial investments in securities	0.0	–20.9
Proceeds from the disposal of financial investments in securities	7.0	2.5
Dividends received from investments consolidated at equity	0.3	0.5
Loans granted	–3.6	–3.5
Interest received	4.4	2.4
Cash flow from investing activities	**–78.9**	**–152.5**
Free cash flow	**93.0**	**19.2**
Financing activities		
Changes in financial liabilities	–8.2	0.0
Dividend paid	–114.8	–123.6
Interest paid	–1.2	–1.1
Cash flow from financing activities	**–124.3**	**–124.7**
Net change in cash and cash equivalents	**–31.2**	**–105.5**
Cash and cash equivalents at January 1	310.6	315.0
Cash and cash equivalents at September 30	**279.3**	**209.5**

[1] Adjustment due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles
[2] Reporting adapted for 2012: Offsetting of reclassification from non-current provisions to current provisions and liabilities

SEGMENT REPORTING

Q1–3 2012 adjusted[1] EUR m	Mail & Branch Network	Parcel & Logistics	Corporate	Consolidation	Group
External sales	1,091.2	632.0	10.6	–10.9	1,722.9
Internal sales	50.1	6.5	124.1	–180.7	0.0
Total revenue	**1,141.3**	**638.5**	**134.7**	**–191.6**	**1,722.9**
Profit/loss from operations	205.9	17.0	–79.1	–0.6	143.2
Results of investments consolidated at equity	–12.5	0.0	0.4	0.0	–12.1
Earnings before interest and tax (EBIT)	**193.4**	**17.0**	**–78.7**	**–0.6**	**131.0**
Depreciation, amortisation and impairment losses	21.8	15.9	24.5	–0.1	62.1
Earnings before tax, interest, depreciation and amortisation (EBITDA)	**215.1**	**32.9**	**–54.2**	**–0.7**	**193.2**
Segment assets	404.8	395.2	421.9	–9.0	1,212.9
Investments consolidated at equity	9.9	0.0	0.7	0.0	10.6
Segment liabilities	416.0	107.2	394.4	–8.3	909.3
Segment investments	23.9	14.4	21.3	–0.6	58.9
Depreciation, amortisation and impairment losses	21.8	15.9	24.5	–0.1	62.1
thereof impairment losses recognised in profit or loss	0.0	0.1	1.7	0.0	1.8
Employees[2]	17,294	4,001	1,965	–	23,260

Q1–3 2013 EUR m	Mail & Branch Network	Parcel & Logistics	Corporate	Consolidation	Group
External sales	1,107.7	627.5	5.1	–6.0	1,734.2
Internal sales	54.2	5.7	128.9	–188.9	0.0
Total revenue	**1,161.9**	**633.2**	**134.0**	**–194.9**	**1,734.2**
Profit/loss from operations	213.1	–14.8	–62.0	0.2	136.4
Results of investments consolidated at equity	–4.3	0.4	–1.1	0.0	–4.9
Earnings before interest and tax (EBIT)	**208.8**	**–14.4**	**–63.0**	**0.2**	**131.5**
Depreciation, amortisation and impairment losses	24.8	42.3	24.0	–0.2	91.0
Earnings before tax, interest, depreciation and amortisation (EBITDA)	**233.6**	**27.9**	**–39.0**	**0.0**	**222.6**
Segment assets	411.5	369.4	414.5	–2.0	1,193.3
Investments consolidated at equity	0.2	48.0	5.8	0.0	54.0
Segment liabilities	381.5	112.0	385.8	–1.6	877.7
Segment investments	27.8	12.8	20.8	0.0	61.3
Depreciation, amortisation and impairment losses	24.8	42.3	24.0	–0.2	91.0
thereof impairment losses recognised in profit or loss	1.7	27.0	0.0	0.0	28.7
Employees[2]	18,112	4,081	2,064	–	24,257

[1] Adjustment due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles
[2] Average for the period, full-time equivalents

Q3 2012 adjusted[1] **EUR m**	**Mail & Branch Network**	**Parcel & Logistics**	**Corporate**	**Consolidation**	**Group**
External sales	349.6	201.1	5.3	–6.2	549.8
Internal sales	16.5	2.0	40.7	–59.3	0.0
Total revenue	**366.1**	**203.2**	**46.0**	**–65.5**	**549.8**
Profit/loss from operations	66.4	5.3	–24.8	–0.6	46.4
Results of investments consolidated at equity	–10.1	0.0	0.0	0.0	–10.1
Earnings before interest and tax (EBIT)	**56.3**	**5.3**	**–24.8**	**–0.6**	**36.3**
Depreciation, amortisation and impairment losses	6.6	5.2	9.7	–0.1	21.5
thereof impairment losses recognised in profit or loss	0.0	0.0	1.7	0.0	1.7
Earnings before tax, interest, depreciation and amortisation (EBITDA)	**62.9**	**10.6**	**–15.0**	**–0.7**	**57.8**

[1] Adjustment due to the application of IAS 19; refer to Note 1. Summary of Accounting Principles

Q3 2013 EUR m	**Mail & Branch Network**	**Parcel & Logistics**	**Corporate**	**Consolidation**	**Group**
External sales	353.1	208.5	1.3	–1.8	561.1
Internal sales	17.7	1.8	42.2	–61.6	0.0
Total revenue	**370.8**	**210.2**	**43.5**	**–63.4**	**561.1**
Profit/loss from operations	68.1	–27.2	–6.3	0.1	34.7
Results of investments consolidated at equity	–1.3	0.4	–0.7	0.0	–1.6
Earnings before interest and tax (EBIT)	**66.9**	**–26.8**	**–7.0**	**0.1**	**33.2**
Depreciation, amortisation and impairment losses	9.4	32.1	8.1	–0.1	49.5
thereof impairment losses recognised in profit or loss	1.2	27.0	0.0	0.0	28.2
Earnings before tax, interest, depreciation and amortisation (EBITDA)	**76.2**	**5.4**	**1.0**	**0.0**	**82.7**

GEOGRAPHICAL SEGMENTS

Q1–3 2012 EUR m	Austria	Germany	Other Countries	Group
External sales	1,240.9	395.4	86.7	1,722.9
Segment assets	891.0	249.4	72.5	1,212.9
thereof non-current	665.1	179.8	50.8	895.7
Segment investments	52.2	3.5	3.2	58.9

Q1–3 2013 EUR m	Austria	Germany	Other Countries	Group
External sales	1,259.1	385.4	89.7	1,734.2
Segment assets	894.8	229.6	68.9	1,193.3
thereof non-current	684.3	160.7	46.6	891.6
Segment investments	55.2	4.0	2.0	61.3

Q3 2012 EUR m	Austria	Germany	Other Countries	Group
External sales	396.4	128.6	24.8	549.8

Q3 2013 EUR m	Austria	Germany	Other Countries	Group
External sales	401.4	129.1	30.5	561.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Q1–3 2012 adjusted[1] **EUR m**	**Share capital**	**Capital reserves**	**Revenue reserves**	**Revaluation of defined benefit obligations**	**Revaluation of financial instruments[2]**	**Currency translation reserves**	**Profit for the period**	**Equity attributable to shareholders of the parent company**	**Equity attributable to non-controlling interests**	**Total equity**
Balance at January 1, 2012	**337.8**	**130.5**	**116.8**	**0.7**	**–5.0**	**–2.0**	**123.2**	**702.0**	**0.0**	**702.0**
Dividend paid	0.0	0.0	0.0	0.0	0.0	0.0	–114.8	–114.8	0.0	–114.8
Change in reserves	0.0	0.0	8.3	0.0	0.0	0.0	–8.3	0.0	0.0	0.0
Profit for the period	0.0	0.0	0.0	0.0	0.0	0.0	99.0	99.0	0.0	99.0
Other comprehensive income	0.0	0.0	0.0	–4.1	2.5	0.7	0.0	–0.9	0.0	–0.9
Total comprehensive income	0.0	0.0	0.0	–4.1	2.5	0.7	99.0	98.1	0.0	98.1
Balance at September 30, 2012	**337.8**	**130.5**	**125.1**	**–3.4**	**–2.4**	**–1.4**	**99.0**	**685.2**	**0.0**	**685.2**

Q1–3 2013 EUR m	**Share capital**	**Capital reserves**	**Revenue reserves**	**Revaluation of defined benefit obligations**	**Revaluation of financial instruments[2]**	**Currency translation reserves**	**Profit for the period**	**Equity attributable to shareholders of the parent company**	**Equity attributable to non-controlling interests**	**Total equity**
Balance at January 1, 2013	**337.8**	**130.5**	**125.1**	**–4.5**	**–1.9**	**–1.6**	**123.2**	**708.6**	**0.0**	**708.6**
Acquisition of a subsidiary	0.0	0.0	–4.4	0.0	0.0	0.0	0.0	–4.4	3.4	–1.0
Dividend paid	0.0	0.0	0.0	0.0	0.0	0.0	–121.6	–121.6	–2.0	–123.6
Change in reserves	0.0	0.0	1.6	0.0	0.0	0.0	–1.6	0.0	0.0	0.0
Profit for the period	0.0	0.0	0.0	0.0	0.0	0.0	104.1	104.1	0.7	104.9
Other comprehensive income	0.0	0.0	0.0	0.0	0.4	–4.4	0.0	–4.0	0.0	–4.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.4	–4.4	104.1	100.1	0.7	100.9
Balance at September 30, 2013	**337.8**	**130.5**	**122.3**	**–4.5**	**–1.5**	**–6.0**	**104.1**	**682.7**	**2.1**	**684.9**

[1] Adjusted due to application of IAS 19; refer to Note 1. Summary of Accounting Principles
[2] Available for sale

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST THREE QUARTERS OF 2013

1. SUMMARY OF ACCOUNTING PRINCIPLES

The consolidated interim financial statements of Austrian Post as at September 30, 2013 were prepared in accordance with the relevant International Financial Reporting Standards (IFRS) valid at September 30, 2013, 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 2012 financial year. The consolidated interim financial statements do not contain all the information and disclosures included in the annual report, and should be read in conjunction with the consolidated financial statements for the financial year ending December 31, 2012.

The consolidated 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.

In the first three quarters of 2013, the following new or revised standards and interpretations were binding for the first time:

New and revised standards		Effective date in the EU[1]
IFRS 1	First-Time Adoption of International Financial Reporting Standards – Government Loans	Jan. 1, 2013
IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	Jan. 1, 2013
IFRS 13	Fair Value Measurements	Jan. 1, 2013
IAS 1	Presentation of Financial Statements – Presentation of Items in Other Comprehensive Income	July 1, 2012
IAS 19	Employee Benefits	Jan. 1, 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	Jan. 1, 2013
Diverse	Improvements to the International Financial Reporting Standards (2009–2011)	Jan. 1, 2013

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

The amendment to IFRS 1 deals with the reporting of government loans at an interest rate below the prevailing market rate at the date of transition. This change does not have any effects on the consolidated interim financial statements of Austrian Post as of September 30, 2013.

Additional disclosures are required on the offsetting of financial instruments in accordance with the amendments to IFRS 7. This change does not have any significant effects on the consolidated interim financial statements of Austrian Post as of September 30, 2013.

The new IFRS 13 standard describes how fair value is to be measured, and expands the disclosures required to be made on it. The objective is the establishment of a unified definition of "fair value" applying to all standards, and of a set of methods universally applicable to this term's measurement. Disclosures on the current value of financial assets and liabilities as well as on the fair value hierarchy have been made in these consolidated interim financial statements. Refer to Note 3. Disclosures on Financial Instruments.

In accordance with the revision to IAS 1, the items contained in other comprehensive income shall be classified depending on their nature and grouped into those, that, in accordance with other IFRS, will not be reclassified subsequently to the income statement and those that will be reclassified to the income statement. Correspondingly, the presentation of the statement of comprehensive income has been changed, as to group other comprehensive income into "Items that will be reclassified subsequently to the income statement" and "Items that will not be reclassified subsequently to the income statement."

IFRIC 20 deals with the reporting of stripping costs incurred in the production phase of a surface mine. This interpretation does not have any effects on the consolidated interim financial statements of Austrian Post as of September 30, 2013.

Minor changes are made to existing standards within the context of the annual "Improvements to IFRSs". The improvements to IFRS 2009-2011 relate to IFRS 1, "First-Time Adoption of International Financial Reporting Standards", IAS 1 "Presentation of Financial Statements", IAS 16, "Property, Plant and Equipment", IAS 32, "Financial Instruments – Presentation" and IAS 34, "Interim Reporting". These improvements do not have any impact on the Austrian Post Group, due to the fact that they only entail clarifications or corrections.

In accordance with the revisions made to IAS 19, actuarial gains and losses from defined benefit plans are reported in other comprehensive income and thus directly incorporated in equity. Austrian Post applied the revised standard IAS 19 ahead of schedule in its consolidated financial statements as at December 31, 2012. These changes were retroactively applied in line with IAS 8.

Accordingly, the adjusted amounts of the affected items are presented for the reporting and comparative periods:

Adjustment amounts for the consolidated income statement EUR m	Q1–3 2012	Q1–3 2013
Staff costs	5.5	0.0
Total operating expenses	5.5	0.0
Profit from operations	**5.5**	**0.0**
Profit before tax	**5.5**	**0.0**
Income tax	–1.4	0.0
Profit for the period	**4.1**	**0.0**
Attributable to equity holders of the parent company	4.1	0.0

EUR	Q1–3 2012	Q1–3 2013
Basic earnings per share	**0.06**	**0.00**
Diluted earnings per share	**0.06**	**0.00**

Adjusted amounts for the statement of comprehensive income EUR m	Q1–3 2012	Q1–3 2013
Profit for the period	**4.1**	**0.0**
Revaluation of defined benefit obligations	–5.5	0.0
Deferred taxes	1.4	0.0
Other comprehensive income	**–4.1**	**0.0**

Adjusted amounts for the consolidated balance sheet EUR m	Sept. 30, 2012	Sept. 30, 2013
Revaluation of defined benefit obligations	–3.4	–4.5
Profit for the period	4.1	0.0
Revenue reserves	–0.7	4.5

Adjusted amounts for the consolidated cash flow statement EUR m	Q1–3 2012	Q1–3 2013
Profit before income tax	5.5	0.0
Other non-cash transactions	–5.5	0.0

2. CONSOLIDATION SCOPE AND BUSINESS COMBINATIONS

In addition to the parent company Österreichische Post AG, a total of 27 domestic subsidiaries (December 31, 2012: 26) and 25 foreign subsidiaries (December 31, 2012: 34), in which Österreichische Post AG directly or indirectly holds a majority of the voting rights, are included in the consolidated interim financial statements. Furthermore, 2 domestic companies (December 31, 2012: 3) and 4 foreign companies (December 31, 2012: 5) are consolidated according to the equity method.

The following changes in the consolidation scope of the Austrian Post Group and business combinations took place in the first three quarters of 2013:

Company name	Interest from	Interest to	Date of transaction	Explanation
Mail & Branch Network				
FEIPRO Vertriebs GesmbH	50.0%	100.0%	Feb. 1, 2013	Step acquisition
M&BM Express OOD	26.0%	26.0%[3]	Feb. 1, 2013	Step acquisition
M&BM Express OOD	26.0%	51.0%	April 1, 2013	Increased shareholding
feibra GmbH (FEIPRO Vertriebs GesmbH)[1]	100.0%	–	April 3, 2013	Merger
Weber Escal d.o.o. (Post d.o.o.)[1]	100.0%	–	April 4, 2013	Merger
KOLOS Marketing s.r.o.[5]	10.0%	–	May 16, 2013	Disposal
Österreichische Post AG (Online Post Austria GmbH)[1]	100.0%	–	July 1, 2013	Merger
Parcel & Logistics				
trans-o-flex Hungary Kft. (trans-o-flex Hungary Kft.)[1, 2]	100.0%	–	March 1, 2013	Merger
trans-o-flex Admin-Service GmbH (trans-o-flex Accounting Service GmbH)[1]	100.0%	–	June 5, 2013	Merger
trans-o-flex Admin-Service GmbH (trans-o-flex Billing Service GmbH)[1]	100.0%	–	June 5, 2013	Merger
trans-o-flex Schnell-Lieferdienst GmbH & Co KG (trans-o-flex Admin-Service GmbH)[1]	100.0%	–	June 13, 2013	Merger
trans-o-flex Schnell-Lieferdienst GmbH & Co KG (trans-o-flex Customer- Service GmbH)[1]	100.0%	–	June 13, 2013	Merger
trans-o-flex Schnell-Lieferdienst GmbH & Co KG (trans-o-flex Transport-Logistik GmbH)[1]	100.0%	–	June 13, 2013	Merger
trans-o-flex Schnell-Lieferdienst GmbH & Co KG (trans-o-flex Linienverkehr GmbH)[1]	100.0%	–	June 13, 2013	Merger
trans-o-flex GmbH (trans-o-flex Schnell-Lieferdienst GmbH & Co. KG)[1]	100.0%	–	July 3, 2013	Merger
trans-o-flex GmbH (trans-o-flex Verwaltungs GmbH)[1, 4]	100.0%	–	July 3, 2013	Merger
Post 205 Beteiligungs GmbH	–	100.0%	July 20, 2013	Incorporation
Post 206 Beteiligungs GmbH	–	100.0%	July 26, 2013	Incorporation
Aras Kargo a.s.	–	25.0%	July 30, 2013	Acquisition
Geschäftsbetrieb der Distributions GmbH Nürnberg	–	–	Aug. 1, 2013	Acquisition (asset deal)
Corporate				
Österreichische Post AG (A4B Business Solutions GmbH)[1]	100.0%	–	Jan. 1, 2013	Merger
ADELHEID GmbH	35.2%	44.4%	April 16, 2013	Increased shareholding
PAG Projektentwicklung Allhaming GmbH	0.0%	100.0%	June 7, 2013	Acquisition

[1] The Group companies listed in parenthesis were merged with the initially listed Group subsidiary, and are therefore no longer included in the consolidation scope
[2] trans-o-flex Hungary Kft. was merged with Austrian Post International Ungarn Kft., in which case the acquiring company was renamed trans-o-flex Hungary Kft. at the time of the merger
[3] Increase in the share of attributable voting rights including potential voting rights to 76%
[4] Following completion of the merger process, trans-o-flex GmbH was renamed trans-o-flex Schnell-Lieferdienst GmbH effectively July 10, 2013
[5] Sale to a Group subsidiary of MEILLERGHP GmbH, Schwandorf

Mail & Branch Network

FEIPRO Vertriebs GesmbH
Effective February 1, 2013, Austrian Post acquired the remaining 50% stake in FEIPRO Vertriebs GesmbH, Gaweinstal. FEIPRO Vertriebs GesmbH, a distribution company specialising in the delivery of non-addressed mail items in Northern Lower Austria, had been previously included in the consolidated financial statements of Austrian Post as an associated company consolidated at equity. The acquisition strengthens the market position of Austrian Post in the delivery of non-addressed mail items in Austria.

The fair values of the identifiable assets and liabilities assumed of FEIPRO Vertriebs GesmbH at the date of acquisition are as follows:

EUR m	Fair value
Non-current assets	
Property, plant and equipment	0.2
Customer relations	0.3
Other intangible assets	0.0
Other non-current assets	0.0
Current assets	
Cash and cash equivalents	0.1
Other current assets	0.2
Non-current liabilities	
Provisions and liabilities	–0.1
Current liabilities	
Provisions and liabilities	–0.4
Total net identifiable assets and liabilities assumed	**0.3**
Calculation of goodwill	
Total net identifiable assets and liabilities assumed	–0.3
Total amount of consideration transferred	0.8
thereof cash and cash equivalents	0.7
thereof financial liabilities (remaining purchase price liability)	0.1
Fair value of the previously held interest	1.4
Goodwill	**1.9**
Breakdown of cash outflow/inflow	
Cash and cash equivalents acquired	0.1
Total amount of consideration transferred	–0.8
Remaining purchase price liability	0.1
Net cash outflow/inflow	**–0.5**

The revaluation of the fair value of the existing 50% shareholding of the Group in FEIPRO Vertriebs GesmbH resulted in a profit of EUR 1.4m. The profit is reported in the income statement as other operating income.

Before the transaction Austrian Post and FEIPRO Vertriebs GesmbH were parties to pre-existing relationships. Within the context of these relationships, FEIPRO Vertriebs GesmbH carried out the distribution of non-addressed mail on behalf of Austrian Post.

The recognised goodwill encompasses the advantages derived from the previously existing business relationship as well as the expected synergies resulting from the subsequent merger of the assets and activities of FEIPRO Vertriebs GesmbH with those of Austrian Post Group.

The fair value of the trade receivables amounts to EUR 0.1m, which corresponds to the gross amount. None of the trade receivables was impaired, and thus the entire contractually stipulated amount will likely be recoverable.

Since the date of acquisition, FEIPRO Vertriebs GesmbH has contributed EUR 0.1m in revenue and EUR 0.0m to the profit for the period of the Austrian Post Group. If the acquisition had taken place at the beginning of the year, the profit for the period would have amounted to EUR 0.0m and the revenue would have totalled EUR 0.3m.

The immaterial transaction costs were recognised as an expense and are reported as other expenses in the consolidated income statement and in the cash flow from operating activities in the consolidated cash flow statement.

FEIPRO Vertriebs GesmbH was merged with feibra GmbH as of April 3, 2013.

M&BM Express OOD
On May 2, 2012, Austrian Post acquired 26% of the shares in M&BM Express OOD, Sofia. The company was incorporated in the consolidated financial statements of Österreichische Post AG as an associated company consolidated at equity as of December 31, 2012. The purchase agreement stipulates options for acquiring an additional 25% stake by March 31, 2013 and March 31, 2014 respectively, and thus up to an additional 50% of the shares, namely 25% by March 31, 2013 and 25% once again by March 31, 2014. Austrian Post waived its right to exercise these options before January 31, 2013, on the basis of a written waiver. Thus these options were to be recognised as potential voting rights that were exercisable as of February 1, 2013, and the share of voting rights in the company attributable to Austrian Post Group rose to 76%. As of this point in time M&BM Express OOD is incorporated as a fully consolidated company in the consolidated financial statements of Austrian Post. On the basis of the actual shares held in M&BM Express OOD, 74% of the total net amount of the identifiable assets and liabilities of the shares were assigned to non-controlling interests.

M&BM Express OOD is the Bulgarian market leader among the alternative letter mail service providers as well as in the field of hybrid mail. The controlling interest in M&BM Express OOD enables Austrian Post to further develop its growth strategy in Central and Eastern Europe.

The fair values of the identifiable assets and liabilities assumed of M&BM Express OOD at the date of acquisition on February 1, 2013, are as follows:

EUR m	Fair value
Non-current assets	
Property, plant and equipment	0.5
Customer relations	3.2
Other intangible assets	0.0
Other non-current assets	0.0
Current assets	
Cash and cash equivalents	1.6
Other current assets	2.4
Non-current liabilities	
Provisions and liabilities	–0.1
Current liabilities	
Provisions and liabilities	–1.9
Total net identifiable assets and liabilities assumed	**5.8**
Calculation of goodwill	
Total net identifiable assets and liabilities assumed	–5.8
Non-controlling interests on the basis of the share of the total net amount of identifiable assets and acquired liabilities	4.3
Fair value of the previously held interest	5.7
Goodwill	**4.2**
Breakdown of cash outflow/inflow	
Cash and cash equivalents acquired	1.6
Net cash outflow/inflow	**1.6**

The recognised goodwill results from the market entry premium and the related cash flow expectations.

The fair value of the trade receivables amounts to EUR 2.3m, which corresponds to the gross amount. None of the trade receivables was impaired, and thus the entire contractually stipulated amount will likely be recoverable.

Since the date of acquisition, M&BM Express OOD has contributed EUR 8.4m in revenue and EUR 0.6m to the profit for the period of the Austrian Post Group. If the acquisition had taken place at the beginning of the year, the profit for the period would have amounted to EUR 0.8m and the revenue would have totalled EUR 9.4m.

The immaterial transaction costs were recognised as an expense and are reported as other expenses in the consolidated income statement and in the cash flow from operating activities in the consolidated cash flow statement.

As of April 1, 2013, the option for acquiring an additional 25% of the shares in M&BM Express OOD was exercised, and the shares were acquired in return for a cash payment of EUR 5.2m. Thus the stake held by Austrian Post increased from 26% to 51%. The total net amount of the identifiable assets and liabilities acquired at the time of acquisition updated by dividend payments and the profit for the period totalled EUR 3.4m as of April 1, 2013. The carrying amount of non-controlling interests attributable to the additionally acquired shares at this time amounted to EUR 0.9m. In accordance with IAS 27, transactions which led to a change in the equity interest but not to a loss of control are to be recognised as an equity transaction. Accordingly, Austrian Post reported a corresponding reduction in equity attributable to non-controlling interests to the amount of EUR 0.9m, and a decline in the revenue reserves to the amount of EUR 4.4m.

The development of the net amount of the identifiable assets and liabilities of M&BM Express OOD and the effects of the changes in the Group's shareholding in M&BM Express OOD are summarised below:

EUR m	Group share	Non-controlling interests	Total
Balance as at February 1, 2013	**1.5**	**4.3**	**5.8**
Profit for the period	0.1	0.3	0.4
Dividends paid	–0.7	–2.0	–2.8
Balance as at April 1, 2013	**0.9**	**2.5**	**3.4**
Increase in the Group's shareholding	0.9	–0.9	0.0
Profit for the period	0.5	0.5	0.9
Balance as at September 30, 2013	**2.2**	**2.1**	**4.4**

PostMaster s.r.l.
On November 1, 2012, Austrian Post Group acquired the remaining 74% stake in Postmaster s.r.l., Bucharest. Starting at this date, the company has been included in the consolidated financial statements of Austrian Post as a fully consolidated company. The calculation of the final consideration to be paid by Austrian Post is based upon a purchase price formula considering, inter alia, the 2012 earnings of Postmaster s.r.l. At the time of acquisition, the fair value of the total amount of the consideration transferred was estimated to be EUR 11.8m, of which EUR 10.2m related to a contingent consideration (remaining purchase price liability). Due to the changes of the underlying assumptions, the contingent consideration (remaining purchase price liability) rose to EUR 11.3m. The remaining purchase price liability was completely settled in the first quarter of 2013. The adjustment of the contingent consideration to the amount of EUR 1.1m is reported as other operating expenses in the consolidated income statement of Austrian Post.

Parcel & Logistics

Aras Kargo a.s.
On July 30, 2013, Austrian Post acquired a 25% stake in the Turkish parcel service provider Aras Kargo a.s. The company has been operating in the parcel business for more than 30 years, and has a market share of over 25%, making it one of Turkey's leading parcel service providers. The headquarters of Aras Kargo a.s. are located in Istanbul, Turkey. However, the company does business on a nationwide basis, operating 28 distribution centres and about 800 shops. The acquisition of the stake in Aras Kargo a.s. and the related entry into the promising Turkish market took place within the context of Austrian Post's clearly defined growth strategy.

Due to the far-reaching co-determination rights granted to Austrian Post within the context of the shareholders' agreement concluded with the remaining shareholders, this agreement establishes joint control over Aras Kargo a.s. Correspondingly, the 25% stake in Aras Kargo a.s. is classified as joint venture in accordance with IAS 31 and consolidated under the equity method in the consolidated financial statements of Austrian Post as stipulated in IAS 28. Moreover, Austrian Post has a call option which can be exercised in the period April 1 – June 30, 2016 entitling it to acquire a further 50% stake from the Aras family on the basis of Aras Kargo's business results in 2015/16, in which case Austrian Post's shareholding would increase to 75%.

The purchase price for the acquisition of the 25% stake amounted to TRY 125m, corresponding to EUR 49.0m. Taking account of the incidental acquisition costs totaling EUR 2.2m, the entire carrying amount recognized under investments consolidated at equity amounts to EUR 51.2m.

The composition of the fair values of the identifiable assets and liabilities assumed of Aras Kargo a.s. and the reconciliation to the carrying amount of the stake in the jointly controlled entity Aras Kargo a.s. at the date of acquisition on July 30, 2013 is summarised below:

EUR m	Fair value
Non-current assets	122.9
Current assets	42.9
thereof cash and cash equivalents	16.8
Non-current liabilities	–25.6
thereof financial liabilities	–18.8
Current liabilities	–63.6
thereof financial liabilities	–11.9
Total net identifiable assets and liabilities assumed (100%)	**76.6**
Reconciliation of the carrying amount of the 25% stake in the joint venture	
Pro-rata balance of total net identifiable assets and liabilities assumed	19.2
Goodwill	32.0
Carrying amount of the stake acquired in the joint venture	**51.2**

Existing loan agreements of Aras Kargo a.s. contain contractual stipulations (covenants), in particular the achievement of a pre-defined EBITDA to total debt ratio which entails the possibility of limiting the dividend to be distributed. In addition, guidelines agreed upon with the other shareholders which regulate the dividend policy of Aras Kargo a.s. were included in the shareholders' agreement. Accordingly, the distribution of a specified maximum percentage of the annual distributable net profits is stipulated under the following conditions: i) achievement of distributable earnings according to IFRS and local accounting regulations, ii) positive cash flow in the year for which a dividend is to be distributed, iii) the distribution of the dividend may not be financed by additional borrowed capital and iv) no shareholder loans have been taken out.

The shareholders' agreement commits the shareholders of Aras Kargo a.s. to make additional financial resources available to the company under certain circumstances. In case Aras Kargo a.s. can no longer fulfil its financing requirements by external borrowings from third parties to maintain its business operations, Austrian Post is obliged to make a shareholder loan of up to EUR 3.0m available to the company. In order to counter any potential risk of insolvency on the part of Aras Kargo a.s., Austrian Post is also obliged to subscribe to a capital increase of up to EUR 3.0m under predefined conditions.

According to the stipulations of the shareholders' agreement, Austrian Post is required to provide personal guarantees (in the form of a letter of comfort, a guarantee or in another suitable manner as requested by the financing bank) for the benefit of the financing bank in order to redeem liens on assets of Aras Kargo a.s. The amount of the guarantees is limited to 25% of the required collateral or a maximum of TRY 20.0m.

Business operations of Distributions GmbH Nürnberg
Austrian Post Group acquired assets, especially movable current assets and the customer base, of the insolvent company Distributions GmbH Nürnberg, Schwarzenbruck directly from the appointed insolvency administrator within the context of an asset deal effective August 1, 2013. In addition, all employees were taken over. Until the beginning of insolvency proceedings on August 1, 2013, the company had provided logistic services for trans-o-flex. As of this date trans-o-flex continued the business operations of the company. The total net identifiable assets and liabilities assumed corresponded to the transferred consideration, and amounted to EUR 0.0m.

Corporate

PAG Projektentwicklung Allhaming
On June 7, 2013, Austrian Post Group acquired a 100% stake in PAG Projektentwicklung Allhaming GmbH. The company is included in the consolidated financial statements of Austrian Post as a fully consolidated company. The assets of the acquired company consisted of two commercial properties in Allhaming, Upper Austria, which are planned to be used for the construction of the new Allhaming Distribution Centre. However, the acquired assets do not constitute a business accordingly to IFRS 3 Business Combinations. Correspondingly, the transaction was treated as an asset transaction, recognising the addition of the commercial properties (EUR 6.5m) and the acquisition costs for the shareholding (EUR 0.8m) as a joint acquisition under property and buildings to the amount to EUR 7.3m.

ADELHEID GmbH / AEP GmbH
As of April 16, 2013, Austrian Post Group increased its stake in the associated company ADELHEID GmbH from 35.2% to 44.4% within the context of a capital increase. The carrying amount of this investment consolidated at equity thus increased by EUR 6.1m, and amounts to EUR 5.1m as of September 30, 2013. ADELHEID GmbH holds 100% of the shares of AEP GmbH, Alzenau, Germany, which supplies pharmacies throughout Germany under the trade name “AEP Direkt”.

3. DISCLOSURES ON FINANCIAL INSTRUMENTS

Fair value of financial assets and financial liabilities
The following table shows the comparison of the carrying amount and fair value of financial investments in securities and other financial liabilities as of September 30, 2013:

Financial assets EUR m	Sept. 30, 2013 Carrying amount	Fair value
Securities	57.7	57.7
Strategic stakes and other investments	12.2	12.2
	69.9	**69.9**

Financial liabilities EUR m	Sept. 30, 2013 Carrying amount	Fair value
Borrowings from banks	10.4	10.4
Finance lease liabilities	12.8	13.0
Other financial liabilities	0.6	0.6
	23.8	**23.9**

Fair Value Hierarchy
The following table shows the financial instruments whose subsequent measurements are to be carried out at fair value. These market-based fair value measurements are classified according to three levels (Levels 1, 2 and 3) depending on the extent to which the fair value is observable on the market:

Sept. 30, 2013 EUR m	Level 1	Level 2	Level 3	Total
Financial assets in the category “Available for sale”				
Securities	57.7	0.0	0.0	57.7
Strategic stakes and other investments	0.0	0.0	12.2	12.2

No transfers were made between Level 1, Level 2 and Level 3 during the interim reporting period, and there were no changes in the Level 3 measurements of financial assets at fair value.

NOTES

The following table shows the valuation method and input factors applied in determining fair values:

Level	Financial instruments	Valuation method	Input factors
1	Securities	Market approach	Nominal values, stock market price
3	Strategic stakes and other investments	Market approach or net present value approach	Book multiples of comparable publicly traded companies and, if available, business plan information

The primary sensitivities in determining fair values of level 3 financial instruments can arise from changes in the underlying market data of comparable companies as well as in the input factors (especially discount rates and planning data) applied in determining the net present value.

Derivative Financial Instruments
Up until the end of July 2013, Austrian Post Group had concluded foreign currency forward contracts designed to hedge the purchase price in Turkish lira (TRY) for the acquisition of a 25% stake in Aras Kargo a.s. The period of time for which the currency futures were concluded corresponded to the period of time in which the foreign currency risk from the underlying transaction existed. The foreign currency forward contracts were not designated as hedging relationships but were recognised at fair value through profit or loss. The minor earnings effect of the transaction was recognised in the income statement under other operating expenses.

4. IMPAIRMENT LOSSES

Goodwill
The composition of the assets for the identification of the previous CGU trans-o-flex Germany changed in the course of 2013. The assets of the CGU ThermoMed Austria GmbH were assigned to the CGU trans-o-flex Germany at the end of 2012. The underlying reason is the acquisition of the operational management and integration of the business of temperature-controlled transport by trans-o-flex. The CGU is reported under the name “trans-o-flex” starting in 2013.

The CGU trans-o-flex (Parcel & Logistics segment) offers an extensive portfolio of European-wide logistics services in the business areas of express delivery services (Schnell-Lieferdienst), temperature-controlled logistics (ThermoMed) and logistics services. Due to the ongoing difficult economic environment prevailing on the German combined freight market, the implemented efficiency enhancement measures have not had the expected results up until now, and earnings expectations for 2013 have not been met. Against the backdrop of these indications of an impairment loss, an impairment test was carried out on the assets assigned to the CGU trans-o-flex including goodwill as at September 30, 2013. The value in use was determined on the basis of the net present value approach. The calculation according to the discounted cash flow method was made on the basis of cash flow forecasts for a period of four years and the calculation of the terminal value. Cash flow forecasts were adjusted in light of the lowered earnings expectations.

The main valuation assumptions underlying the calculation of the recoverable amount were management forecasts with respect to the expected volume and margin development, the discount rate applied and the expected long-term growth rate.

	Dec. 31, 2013	Q3 2013
Discount rate before tax	10.2%	9.9%
Growth rate	1.0%	1.0%

The impairment test led to the recognition of an impairment loss to the amount of EUR 27.0m on the previously recognised goodwill totalling EUR 111.4m. This impairment loss was reported in the income statement under the item “Depreciation, amortisation and impairment losses”. The estimated recoverable amount of the CGU trans-o-flex corresponds to its carrying amount. Subsequently, a negative change in one of the main planning assumptions would lead to a further need for impairment.

An increase of deferred tax assets totaling about EUR 8.0m also resulted in connection with the need to recognise an impairment loss. The reversal of previous deferred tax assets on loss carryforwards of the trans-o-flex Group resulted in a tax expense of EUR 4.0m. This is contrast to the tax income from deferred tax assets amounting to EUR 12.2m in connection with the tax-related impairment loss for the trans-o-flex Group.

Customer relations
Due to the loss of key customers, impairment losses totalling EUR 1.7m were recognised in the first three quarters of 2013 for capitalised customer relationships (EUR 1.7m for the Mail & Branch Network segment). The impairment losses were reported in the income statement under the item "Depreciation, amortisation and impairment losses".

Receivables
Due to current assessments with respect to recoverability, write-downs totalling EUR 5.1m were recognised on outstanding receivables from the logistics partners of the trans-o-flex Group (including EUR 4.3m relating to so-called distribution companies).

5. OTHER INFORMATION

As at September 30, 2013, there was no material change in the transactions with related parties and individuals as presented in the consolidated financial statements as at December 31, 2012.

The dividend of EUR 1.80 per share (EUR 121.6m) resolved upon by the Annual General Meeting held on April 18, 2013 was distributed to shareholders on May 2, 2013.

6. EVENTS AFTER THE REPORTING DATE

All events after the end of the interim reporting period which have a material impact on the valuation on September 30, 2013, such as pending litigation, claims for damages, other obligations or contingent losses, and for which IAS 10 prescribes adjustments or disclosures, have been recognised in the current consolidated interim financial statement.

On October 14, 2013, Austrian Post acquired a 100% stake in four so-called distribution companies in Germany (Distributions GmbH – 31, Cologne, Distributions GmbH Duisburg, Distributions GmbH Dortmund and Distributions GmbH Meinerzhagen). These companies will be included as fully consolidated companies in the consolidated financial statements of Austrian Post as of the day marking the closing of the transaction. The companies are among the most important distribution partners of the trans-o-flex Group, and their four locations serve the North Rhine-Westphalia economic region. The acquisition enables trans-o-flex to more stringently manage key aspects of its distribution logistics.

The total consideration paid amounting to EUR 0.6m is comprised of a cash contribution of EUR 0.4m and a maximum conditional purchase price payment of EUR 0.2m. The conditional purchase price payment depends on the achievement of pre-defined revenue targets in 2013 and 2014. Following the closing of the transaction on October 14, 2013, which took place close to the date of the official approval authorising publication of the consolidated interim financial statements, the initial reporting of this acquisition could not yet be completed by November 6, 2013 due to the limited capacities of the acquired companies. For this reason, disclosures pertaining to the amounts of the transferred consideration and the identifiable assets and liabilities assumed as well as a qualitative description of the specific factors leading to the recognition of goodwill are not included in these notes to the consolidated interim financial statements. Before the transaction took place, Austrian Post Group and the acquired companies had pre-existing relationships on the basis of a system partner agreement. The potential gains or losses arising from the settlement of these services have also not yet been determined.

7. NEGATIVE NOTE

The consolidated interim report of Österreichische Post AG, Vienna (Austrian Post) for the first three quarters of 2013 was neither audited nor subject to an auditor's review.

Vienna, November 6, 2013

The Management Board

Georg Pölzl
Chairman of the Management Board
Chief Executive Officer

Walter Oblin
Member of the Management Board
Chief Financial Officer

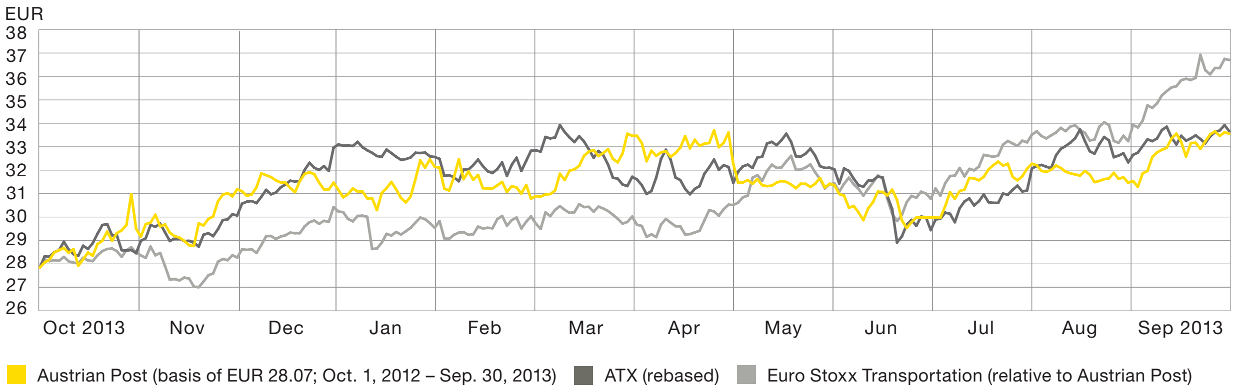
Walter Hitziger
Member of the Management Board
Mail & Branch Network Division

Peter Umundum
Member of the Management Board
Parcel & Logistics Division

FINANCIAL CALENDAR 2014

March 13, 2014	Annual Report 2013, announcement: 7.30–7.40 a.m. CET
April 14, 2014	Record date for participation at Annual General Meeting
April 24, 2014	Annual General Meeting 2014, Vienna
May 7, 2014	Record Date for dividend payment
May 8, 2014	Ex-dividend day and dividend payment day
May 8, 2014	Interim report for the first quarter of 2014, announcement: 7.30–7.40 a.m. CET
August 14, 2014	Half-year financial report 2014, announcement: 7.30–7.40 a.m. CET
November 12, 2014	Interim report first three quarters 2014, announcement: 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 6, 2013

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