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Austrian Post

Interim report for the first quarter of 2009

Highlights Q1 2009

- Difficult market environment in the recessionary year 2009;
  Deteriorating economic climate negatively impacts letter mail and parcel volumes
- Q1 2009 featured two fewer working days than Q1 2008
- Group revenue down 2.4%, or EUR 14.7m
  - Mail (–4.6%): Decline in daily business mail and direct mail items
  - Parcel & Logistics (–0.1%): On balance stable development based on core business in Austria and Germany and consolidation effects
  - Branch Network (+5.6%): Positive development in sales of retail products and financial services
- Measures initiated to improve efficiency and reduce costs; positive effects expected in upcoming quarters
- Earnings before interest and tax decrease 4.3%, to EUR 47.8m
- Balance sheet and cash flow
  - Free cash flow before financial investments in securities at EUR 22.9m
  - Cash and cash equivalents and financial investments in securities rose by EUR 15.4m in the first quarter, to EUR 356.0m

Overview of key indicators

	EUR m	Q1 2007	Q1 2008	Q1 2009	2008/09 in %
Income statement	Revenue	575.5	609.9	595.2	–2.4%
	Earnings before interest, tax, depreciation and amortisation (EBITDA)	77.4	75.4	72.2	–4.2%
	EBITDA margin	13.4%	12.4%	12.1%	–
	Earnings before interest and tax (EBIT)	55.1	49.9	47.8	–4.3%
	EBIT margin	9.6%	8.2%	8.0%	–
	Earnings before tax (EBT)	55.8	52.0	48.4	–6.8%
	Profit for the period	42.7	41.9	33.7	–19.5%
	Earnings per share (EUR)	0.61	0.60	0.50	–16.6%
	Employees (average for period, full-time equivalents)	24,816	26,686	26,012	–2.5%
Cash flow	Operating cash flow before changes in working capital	78.0	77.0	57.3	–25.7%
	Cash flow from operating activities	58.1	53.7	30.5	–43.3%
	Investments in property, plant and equipment	19.6	16.8	14.9	–11.1%
	Investment in Group holdings/further interests	2.2	2.6	2.4	–6.0%
	Free cash flow	39.9	40.5	–1.8	–
		Dec. 31, 2007	**Dec. 31, 2008**	**March 31, 2009**	
Balance sheet	Total assets	2,058.6	1,874.6	1,891.5	+0.9%
	Non-current assets	1,361.9	1,252.1	1,251.3	–0.1%
	Current assets	694.3	622.5	640.2	+2.9%
	Capital and reserves	874.3	741.5	772.4	+4.2%
	Non-current liabilities	598.0	551.8	546.5	–1.0%
	Current liabilities	586.3	581.3	572.5	–1.5%
Key balance sheet indicators	Interest-bearing liabilities	–711.5	–655.9	–648.5	–1.1%
	Interest-bearing assets	538.1	385.8	403.3	+4.5%
	Net debt	–173.4	–270.2	–245.2	–9.3%
	Equity ratio	42.4%	39.6%	40.8%	–

Statement by the Management Board

Against the backdrop of the international economic crisis, the year 2009 also poses a major challenge to Austrian Post. As the first quarter of 2009 demonstrated, the recession resulted in a serious downturn in the business development of many companies. In turn, this negatively impacted the business of Austrian Post, leading to reduced letter mail, direct mail and parcel delivery volumes. Accordingly, total revenue of Austrian Post fell by 2.4% or EUR 14.7m from the same period of the previous year, to EUR 595.2m. The two fewer working days compared to Q1 2008 also contributed to the decline.

Earnings before interest and tax (EBIT) were down 4.3%, to EUR 47.8m. Revenue losses could not be fully compensated by cost reduction measures. In particular, the 2009 salary increases of 3.7% pushed up staff costs, the largest single operating expense item.

The first months of 2009 clearly showed that a more difficult economic environment is to be expected for the year as a whole than originally anticipated at the beginning of the year. Economic forecasts for the markets in which Austrian Post operates were recently once again revised downwards. Back in December 2008, the Austrian Institute of Economic Studies (WIFO) and Institute for Advanced Studies (IHS) predicted negative growth rates in Austria of –0.5% and –0.1% respectively. In April 2009, the EU Commission already forecast that the Austrian economy would contract by –4.0% in 2009. Austrian Post will not be immune against the consequences of this immense economic downswing. We expect that the deteriorating economic situation will continue to have a negative effect on letter mail, parcel delivery and direct mail volumes.

Based on the uncertain economic situation, Austrian Post is not in a position to seriously provide a detailed revenue and earnings outlook for 2009. For this reason, the main goal of Austrian Post's management team is to do its best to counteract impending revenue decline by implementing operational cost savings. This approach involves efficiency-enhancing measures along with a sales offensive. Austrian Post is more intensively promoting the increased use of direct mailings in the communications mix of companies as well as new services such as mailroom services and document printing.

Efficiency improvements and rationalisation measures are essential in order to compensate for a decline in revenue by means of cost reductions. In an initial step, the Management Board of Austrian Post has launched a programme to cut the cost of materials and operating expenses (excluding staff costs) in the Group by about EUR 30m over the next 12 months. In addition, planned capital expenditure (CAPEX) will be cut back by 20% in 2009, to about EUR 80m.

Efficiency improvements are also planned for operational processes. Austrian Post aims to have a cost structure in its letter mail delivery services which is appropriate for a competitive environment. In the second half of 2009, Austrian Post will start replacing 300 unprofitable company-owned branches with partner-operated postal service points.

Austrian Post will continue its dividend policy of recent years. Thanks to a solid balance sheet with a surplus of liquid funds, as well as annual cash generation, we will continue to distribute at least 75% of the net profit for the period to our shareholders. The Annual General Meeting held on May 6, 2009 approved a basic dividend of EUR 1.50 per share on May 20, 2009, and a special dividend of EUR 1.00 per share on August 20, 2009.

After ten years of serving as Chairman of the Management Board and Chief Executive Officer of Austrian Post, Anton Wais resigned his position as of March 31, 2009 for health reasons. We would like to take this opportunity to thank him once again for all he achieved on behalf of Austrian Post.

Rudolf Jettmar	Herbert Götz	Walter Hitziger	Carl-Gerold Mende
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

Business development Q1 2009

Economic and market environment The global economy is in the midst of the most serious recession in decades. Almost all Western markets have been confronted with an economic contraction in the year 2009. Current economic forecasts have been continually revised downwards in recent months. In December 2008, the Austrian Institute of Economic Studies (WIFO) still predicted moderate negative growth of –0.5% in Austria in 2009, and the Institute for Advanced Studies (IHS) was even more optimistic at –0.1%. In the meantime, the latest forecasts for Austria published in March 2009 anticipate the recession to be even more severe, with negative growth rates of –2.2% and –2.7% respectively. In its April 2009 forecasts, the EU Commission even expects the Austrian economy to contract by –4.0% in 2009. Due to the strong dependency of the Austrian economy on export markets, in particular Germany, for which the EU Commission lowered its original forecasts to –5.4% GDP growth, there is a realistic possibility that the economic downswing in Austria will turn out to be worse. Previous growth projections also assume a relatively stable development in private consumption levels. The fact that public attention is not only focused on overcoming the economic crisis but increasingly includes concerns about the rising level of national debt makes this assessment appear to be overly optimistic. The global economic slump has also spread to the countries of South Eastern Europe and Eastern Europe. The EU Commission also predicts a serious recession in these markets (e.g. Slovakia –2.6%, Hungary –6.3%, Croatia –3.0%).

The lower growth rate predicted for 2009 will likely be accompanied by a decline in inflation. Consumer prices are only expected to climb by 1.2% in 2009 (WIFO).

Letter mail and parcel volumes are also partially linked to overall market developments and consumer behaviour. The expanded share of direct mailings as a percentage of the total volume of addressed mail items has led to a greater dependency on advertising expenditures, which are generally reduced or postponed during a pessimistic economic climate. Global investments in advertising are forecast to decline by 7% in 2009, compared to predictions of only –0.2% in December of last year (Source: Zenith Optimedia). The economic downturn has also resulted in a corresponding drop in the total volume of business mail. The electronic substitution of letter mail is a further fundamental trend that is intensifying.

With regard to the EU-wide implementation of the Third Postal Directive, the Austrian Federal Government intends to enact a new Postal Act by the middle of 2009. An initial draft of the proposed law was published at the end of April. A crucial issue in connection with the complete opening of the postal market is the financing of cost-intensive postal services in rural areas. Austrian Post supports compensation for universal postal services by means of an equalisation fund, as foreseen in the Third Postal Directive. Moreover, Austrian Post requires a greater degree of flexibility in a fully liberalised postal sector in respect to pricing structures for business customers and operating models for postal service points. Unified quality measurement and control systems as well as fair labour conditions complement the proposals advocated by Austrian Post in shaping the postal market of the future.

Changes in the consolidation scope At the end of February 2009, Austrian Post sold 49.8% of its stake in Mader Zeitschriftenverlags GmbH, Vienna. The interest held by Austrian Post in Mader, which is consolidated according to the equity method, now amounts to 25.1%. The Group subsidiaries Distra NV in Belgium and 24VIP in Bosnia-Herzegovina, which were acquired after the first quarter of last year, were not included in the consolidated financial statements of Austrian Post in Q1 2008.

Business development – earnings The year 2009 also poses an immense challenge to Austrian Post. The recession arising as a consequence of the international financial crisis has clearly left its mark on the real economy, seriously dampening the economic performance of companies. This development has led to an overall decline in business mail volumes. The business development of Austrian Post in the first quarter of 2009 was not only negatively affected by the recession, but also by the two fewer working days compared to Q1 2008. Accordingly, total revenue fell by 2.4% in the first quarter of the 2009 financial year, or EUR 14.7m, to EUR 595.2m.

First quarter revenue of the Mail Division decreased by 4.6%, led by declining business in the Letter Mail and Infomail (addressed and unaddressed direct mail items) business areas. The economic downturn and the resulting reduction in daily business mail volumes and delays in advertising expenditures had a perceptibly negative impact on revenue.

In the Parcel & Logistics Division, revenue remained largely constant. A volume decline in the premium parcel segment was opposed by consolidation effects and a stable development in standard parcels. The redimensioning measures in parcel logistics operations carried out in Austria succeeded in increasing efficiency following the loss of two major mail order customers in the previous year. Furthermore, the existing customer relationship with the competing parcel provider Hermes calls for delivery of B2C parcels by Austrian Post as of June 1, 2009, and will contribute to a further productivity improvement.

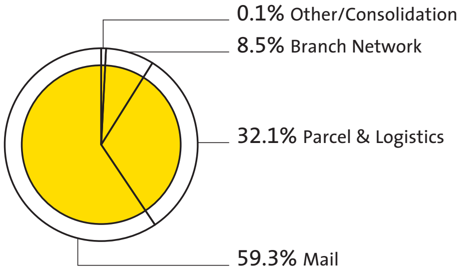
The 5.6% growth in revenue generated by the Branch Network Division can be attributed to the good development in sales of retail products (mobile telephony, fixed line network) and financial services.

Revenue by division[1]

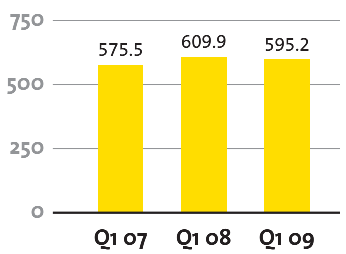
EUR m	Q1 2007	Q1 2008	Q1 2009	Change	Structure Q1 2009
Total revenue	**575.5**	**609.9**	**595.2**	**–2.4%**	**100.0%**
Mail	341.8	370.0	353.0	–4.6%	59.3%
Parcel & Logistics	182.9	191.2	190.9	–0,1%	32.1%
Branch Network	49.7	48.0	50.7	+5.6%	8.5%
Other/Consolidation	1.2	0.7	0.7	–6.2%	0.1%

[1] External sales of the divisions

Revenue by division (%)



Revenue (EUR m)



Income statement

EUR m	Q1 2007	Q1 2008	Q1 2009	Change in %	Structure Q1 2009
Revenue	**575.5**	**609.9**	**595.2**	**–2.4%**	**100.0%**
Other operating income	20.8	14.7	16.6	+12.8%	2.8%
Raw materials, consumables and services used	–165.2	–183.1	–186.5	+1.9%	31.3%
Staff costs	–287.6	–297.5	–289.9	–2.6%	48.7%
Other operating expenses	–66.8	–68.9	–67.8	–1.7%	11.4%
Share of profit/loss of associates	0.6	0.2	4.6	–	0.8%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**77.4**	**75.4**	**72.2**	**–4.2%**	**12.1%**
Depreciation, amortisation and impairment losses	–22.3	–25.5	–24.5	–4.0%	4.1%
Earnings before interest and tax (EBIT)	**55.1**	**49.9**	**47.8**	**–4.3%**	**8.0%**
Other financial result	0.7	2.1	0.7	–67.6%	0.1%
Earnings before tax (EBT)	**55.8**	**52.0**	**48.4**	**–6.8%**	**8.1%**
Income tax	–13.1	–10.1	–14.7	+46.0%	2.5%
Profit after tax = profit for the period	**42.7**	**41.9**	**33.7**	**–19.5%**	**5.7%**
Earnings per share (EUR)	0.61	0.60	0.50	–16.6%	–

In the light of the prevailing economic situation, the management of Austrian Post is increasingly focusing its efforts on a sales offensive as well as efficiency improvements and reducing all operating expenses. An attempt is being made to counteract declining revenue by cost-cutting measures. Nevertheless, expenses for raw materials, consumables and services used slightly rose by 1.9%, or EUR 3.5m, in Q1 2009. This development is related to higher transport and fuel costs, as well as the increased sales of retail products sold by the Branch Network Division.

Staff costs of Austrian Post amounted to EUR 289.9m in Q1 2009, comprising about 50% of total revenue, making them the largest operating expense item. The average number of full-time employees fell by 674 people in a year-on-year comparison, to 26,012 employees. The wage agreements concluded at the end of 2008, which called for salary increases of about 3.7% in Austria due to the high inflation rate in 2008, pushed up staff costs. This rise will be continually counteracted by a hiring freeze as well as exploiting employee fluctuation during 2009.

As in previous years, staff costs also included changes to the provision for employee under-utilisation. The change in this provision is now strongly reduced, and the necessity for new allocations can be considered as quite low. All in all, employee-related provisions in the balance sheet increased by a total of EUR 1.4m in the first quarter of 2009.

During the period under review, other operating income rose to EUR 16.6m, which includes income from rents and leases of EUR 6.3m.

Other operating expenses were down 1.7%, to EUR 67.8m. The largest single items were leasing and rental payments (EUR 17.2m) and maintenance expenses (EUR 9.3m).

EBITDA by division

EUR m	Q1 2007	Q1 2008	Q1 2009	Change in EUR m
Total EBITDA	**77.4**	**75.4**	**72.2**	**–3.1**
Mail	80.9	82.4	71.2	–11.1
Parcel & Logistics	14.9	11.0	7.1	–3.9
Branch Network	5.7	4.0	1.6	–2.5
Other/Consolidation	–24.0	–22.1	–7.7	+14.4

In the first three months of 2009, earnings before interest, tax, depreciation and amortisation (EBITDA) of Austrian Post totalled EUR 72.2m, a drop of 4.2% from the previous year. Accordingly, the EBITDA margin was 12.1%. Revenue decreases could not be fully compensated by cost reduction measures.

Depreciation, amortisation and impairment losses of Austrian Post fell 4.0% in Q1 2009, to EUR 24.5m. No impairment losses were recognised in the first quarter.

Based on declining revenue, earnings before interest and tax (EBIT) of Austrian Post fell by 4.3% compared to the previous year, to EUR 47.8m (EBIT margin: 8.0%).

EBIT by division

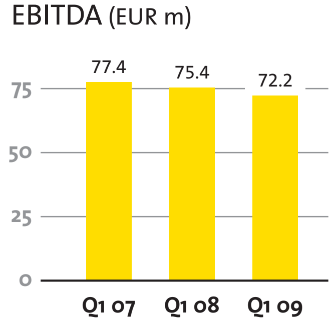
EUR m	Q1 2007	Q1 2008	Q1 2009	Change in EUR m
Total EBIT	**55.1**	**49.9**	**47.8**	**–2.1**
Mail	74.4	74.1	63.1	–11.0
Parcel & Logistics	9.7	4.7	0.7	–4.0
Branch Network	4.6	2.6	0.2	–2.4
Other/Consolidation	–33.6	–31.5	–16.2	+15.3

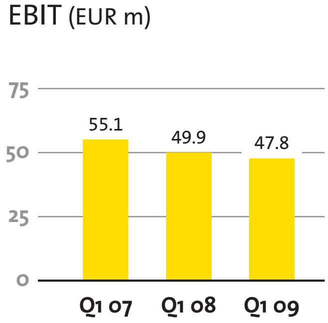
All operating divisions suffered from recession-related reductions in earnings. The Mail Division generated an EBIT of EUR 63.1m (EUR –11.0m from Q1 2008), whereas EBIT at the Parcel & Logistics was EUR 0.7m (EUR –4.0m), and the Branch Network Division posted an EBIT of EUR 0.2m (EUR –2.4m). In contrast, an earnings improvement was achieved in the Other/Consolidation segment, which encompasses non-allocated costs for central departments, expenses in connection with unused properties and for the employee social plan as well as the change in the provision for employee under-utilisation, income from rents and leases and gains on the disposal of property, plant and equipment. The EBIT loss of the Other/Consolidation segment was reduced to EUR –16.2m, due to a lower change in the provisions.

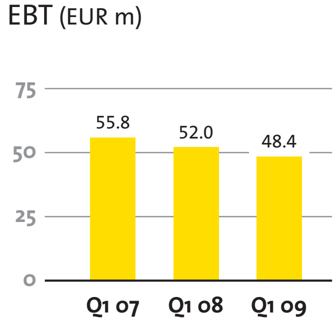
The financial result declined to EUR 0.7m in the first quarter of 2009, which is related, amongst other reasons, to lower interest rates.

Earnings before tax fell by 6.8%, to EUR 18.4m. After deducting income taxes totalling EUR 14.7m, profit for the period (earnings after tax) amounted to EUR 33.7m, corresponding to EUR 0.50 per share.

Earnings figures







Assets and finances

Balance sheet structure by terms

EUR m	Dec. 31, 2008	March 31, 2009	Structure March 31, 2009
ASSETS			
Non-current assets	1,252.1	1,251.3	66.2%
thereof other financial assets and financial investments in securities	132.2	144.6	7.6%
Current assets	622.5	640.2	33.8%
thereof cash and cash equivalents	248.1	241.1	12.7%
	1,874.6	**1,891.5**	**100.0%**
EQUITY AND LIABILITIES			
Capital and reserves	741.5	772.4	40.8%
Non-current liabilities	551.8	546.5	28.9%
thereof provisions	466.2	468.0	24.7%
Current liabilities	581.3	572.5	30.3%
	1,874.6	**1,891.5**	**100.0%**

Austrian Post pursues a risk-adverse business approach. This is demonstrated by the high equity ratio, the relatively low level of financial liabilities and the high amount of cash and cash equivalents.

Non-current assets comprise the largest share of the balance sheet total, accounting for 66.2% of total assets, or EUR 1,251.3m. The largest non-current asset items are property, plant and equipment at EUR 719.1m, financial investments in securities and other financial investments totalling EUR 144.6m.

The principle current asset items are receivables, at EUR 362.2m, followed by cash and cash equivalents, at EUR 241.1m.

On the equity and liabilities side, the balance sheet total is primarily comprised of capital and reserves (40.8%) and non-current liabilities. Non-current liabilities of EUR 546.5m largely consist of provisions totalling EUR 468.0m, including the provision for under-utilisation, which amounted to EUR 303.8m in the first quarter of 2009, down from EUR 307.8m at the end of the 2008 financial year.

Current liabilities amounting to EUR 572.5m primarily consist of trade payables, at EUR 352.1m.

The analysis of the balance sheet of Austrian Post shows a considerable level of current and non-current financial resources on the assets side. Austrian Post had cash and cash equivalents of EUR 241.1m as at March 31, 2009, and financial investments of securities amounting to EUR 104.7m. Accordingly, total liquid financial resources at the disposal of Austrian Post rose from EUR 340.4m to EUR 356.0m in the first quarter of 2009, as opposed to financial liabilities of only EUR 143.8m.

Cash flow

EUR m		Q1 2008	Q1 2009
Operating cash flow before changes in working capital		**77.0**	**57.3**
±	Cash flow from changes in working capital	–23.3	–26.8
=	**Cash flow from operating activities**	**53.7**	**30.5**
±	Cash flow from investing activities	–13.2	–32.3
	thereof financial investments in securities	0.0	–24.7
=	**Free cash flow**	**40.5**	**–1.8**
	Free cash flow before financial investments in securities	**40.5**	**22.9**

Total operating cash flow before changes in working capital amounted to EUR 57.3m, which includes recession-related effects as well as the lower number of working days in the first quarter of 2009. Revenue decreases could not be fully compensated by cost reduction measures.

The cash flow from changes in working capital amounted to EUR –26.8m in Q1 2009, which relates to increased receivables from other postal companies accompanied by a simultaneous reduction in liabilities. This seasonal effect should be significantly reduced on an annual basis, similar to the situation in the year 2008. On balance, the cash flow from operating activities totalled EUR 30.5m in the first three months of 2009.

The cash flow from investing activities at EUR –32.3m includes the purchase of property, plant and equipment (CAPEX) amounting to EUR 14.9m, as well as financial investments in securities, at EUR 24.7m. All in all, total free cash flow reported in the first quarter of 2009 was EUR –1.8m, whereas the free cash flow generated before financial investments in securities was EUR 22.9m.

Capital expenditure During the first quarter of 2009, capital expenditure at Austrian Post reached a level of EUR 16.2m. Approximately 50% of total investments related to assets under construction (Zagreb/Croatia, Bratislava/Slovakia), as well as a conveyor and distribution facility at the Graz Letter Sorting Centre. About one-third of the total investments were designed for office equipment, fixtures and fittings, in particular sorting tables, letter boxes, fork lift trucks, video surveillance, access systems, the vehicle fleet of the trans-o-flex Group as well as equipment, fixture and fittings for post office branches. The remaining capital expenditure related to commercial real estate and buildings as well as technical plant and machinery.

Employees During the period under review, the average number of full-time employees at Austrian Post fell by 2.5%, or 674 people, to 26,012. This decline can be attributed to the lower number of employees working for the Mail Division.

Most of Austrian Post's labour force (21,655 full-time equivalent employees) is employed by the parent company, Österreichische Post AG. The remaining 4,300 employees are employed at subsidiaries.

Employees by division[1]

	Q1 2008	Q1 2009	Structure
Mail	15,704	15,141	58.2%
Parcel & Logistics	4,048	4,000	15.4%
Branch Network	4,907	4,748	18.2%
Other/Consolidation	2,027	2,123	8.2%
Total	**26,686**	**26,012**	**100.0%**

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

Main risks and uncertainties As an international postal and logistics services provider, Austrian Post is subject to a variety of risks in carrying out its business operations. 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 take suitable precautionary measures. The risk management efforts of Austrian Post, as well as the major risks it is subject to – regulatory and legal risks, market and competitive risks, risks arising from the structure of employment contracts, technical and financial risks – are described in detail in the Group Management Report and in the Notes to the consolidated financial statements in the Annual Report 2008 for Austrian Post (see Annual Report 2008, pages 70–74 and 129–133).

On the basis of the above-mentioned risks, there are also uncertainties for the remaining nine 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. The business environment in the regions where Austrian Post operates has significantly deteriorated in recent months. Unfavourable economic conditions faced by customers of Austrian Post have negative effects on the development of letter mail, direct mail and parcel delivery volumes. Furthermore, a weakening business can also have an impact on the Group's competitive position and thus the attainable prices for postal services. Earnings from financial services in the Branch Network division are strongly dependent on the market success of Austrian Post's banking partner BAWAG PSK, whereas earnings from telecommunications products are closely linked to the product development success of the company's cooperation partner Telekom Austria. As a logistics company, Austrian Post is fundamentally subject to the risk of rising costs related to higher transport and fuel prices.

Outlook for 2009 The first months of 2009 have already demonstrated that a more difficult economic environment is to be expected for the year as a whole than originally forecast at the beginning of the year. Economic expectations for the markets in which Austrian Post operates have been continually revised downwards. In December 2008, the Austrian Institute of Economic Studies (WIFO) and Institute for Advanced Studies (IHS) predicted negative growth rates in Austria of –0.5% and –0.1% Austria respectively. In April 2009, the EU Commission already forecast that the Austrian economy would contract by –4.0% in 2009. Austrian Post will not be immune against the consequences of this immense economic downswing. We expect that the deteriorating economic situation will continue to have a negative effect on letter mail, parcel delivery and direct mail volumes.

We anticipate that the trends manifested in the first quarter will continue for the time being. In the Mail Division, recessionary tendencies will continue to have a negative impact on business mail and direct mail volumes. In the Parcel & Logistics Division, the focus on selected branches and the positive impetus for growth provided by Internet-based businesses will contribute towards reducing the consequences of the economic downturn compared to other logistics segments. Positive effects are anticipated as a result of Austrian Post's growing B2C parcel business in Austria during the second half of the 2009 financial year. The Branch Network Division is also expected to show a stable development.

Based on the uncertain economic situation, Austrian Post is not in a position to seriously provide a detailed revenue and earnings outlook for 2009 at this time. As already predicted and demonstrated by first quarter developments, revenue will be negatively impacted by the unfavourable economic situation and the accompanying decline in letter mail and parcel delivery volumes. For this reason, the main goal of Austrian Post's management team is to do its best to counteract the impending revenue decline by implementing operational cost savings and thereby keep earnings reductions at a minimum. This approach involves implementing appropriate measures to carry out a sales offensive and enhance efficiency. Austrian Post is more intensively promoting the increased use of direct mailings in the communications mix of companies as well as new services such as mailroom services or document printing.

Moreover, efficiency improvements and rationalisation measures are essential in order to compensate for falling revenue by means of cost reductions. In an initial step, the Management Board of Austrian Post has launched a programme to cut the cost of materials and all operating expenses (excluding staff costs) in the Group by about EUR 30m over the next 12 months. In addition, planned capital expenditure (CAPEX) will be cut back by 20% in 2009, to about EUR 80m.

Efficiency improvements are also planned for operational processes. Austrian Post aims to have a cost structure in its letter mail delivery services which is appropriate for a competitive environment. In the Branch Network Division Austrian Post will start replacing 300 unprofitable company-owned branches with partner-operated postal service points in the second half of 2009, which will also have a positive effect on earnings.

Significant events after the interim reporting period Within the context of the authorisation granted by the Annual General Meeting held on April 22, 2008, all treasury shares (2,447,362 shares) were withdrawn effective April 24, 2009. These treasury shares were acquired within the context of the share buy-back programme in 2008. The share capital of Austrian Post has been reduced by EUR 12.2m, to EUR 337.8m, and is now divided into a total of 67,552,638 no-par value shares (up to April 23, 2009: 70,000,000 no-par value shares).

The Annual General Meeting of the shareholders of Austrian Post held on May 6, 2009 accepted the proposal submitted by the Management Report, resolving to distribute a basic dividend amounting to EUR 1.50 per share (EUR 101.3m) for the 2008 financial year. In addition, a special dividend corresponding to EUR 1.00 per share (EUR 67.6m) was approved. This corresponds to a total dividend payout of EUR 168.9m. Dividend payment day of the basic dividend is scheduled for May 20, 2009, whereas the dividend payment day of the special dividend is August 20, 2009.

Performance of divisions

Mail Division

EUR m	Q1 2007	Q1 2008	Q1 2009	Change in EUR m
External sales	341.8	370.0	353.0	–17.1
Letter Mail	204.2	201.4	193.5	–7.9
Infomail	107.0	134.7	126.1	–8.6
Media Post	30.6	33.9	33.4	–0.5
Internal sales	12.4	11.1	10.9	–0.1
Total revenue	354.1	381.1	363.9	–17.2
EBITDA	**80.9**	**82.4**	**71.2**	**–11.1**
Depreciation and amortisation	–6.4	–8.3	–8.1	–0.1
EBIT	**74.4**	**74.1**	**63.1**	**–11.0**
EBITDA margin[1]	22.8%	21.6%	19.6%	–
EBIT margin[1]	21.0%	19.5%	17.3%	–
Employees[2]	14,878	15,704	15,141	–3.6%

[1] Relative to total revenue
[2] Average for the period, full-time equivalents

External sales of the Mail Division fell 4.6% from the comparable period of 2008, to EUR 353.0m. This decline primarily resulted from the economic slowdown as well as the two fewer working days than in the first quarter of the previous year.

Revenue generated by the Letter Mail Business Area was down by 3.9%, or EUR 7.9m. In addition to the substitution of traditional letters by electronic media, the unfavourable economic situation of many customers resulted in lower letter mail volumes. An analysis of business development on a sectoral basis does not present a unified picture. Whereas mail volumes in the financial services sector have remained relatively constant, the telecommunications and industrial segments have been subject to negative growth. In addition, the lower number of working days in the first quarter of 2009 compared to the previous year also had a detrimental effect on business.

The revenue achieved by the Infomail Business Area (addressed and unaddressed direct mail items) was also lower than in Q1 2008, decreasing by 6.5%, or EUR 8.6m. This downward trend can be attributed to the decline in printing orders for advertising materials (meiller direct) as well as the overall volatile volume development of advertising mail. For many customer groups, for example in the retail business, direct mailings continue to represent an important weekly instrument stimulating consumer sales. In contrast, several customer segments, in particular mail order firms, are reducing or postponing advertising campaigns as a result of the economic downturn. Positive effects on mail volumes in Austria can be expected in the second and third quarters of 2009 as a result of upcoming elections.

Due to the prevailing market environment, the Media Post Business Area also posted a decline in revenue, which fell 1.2% in the first quarter of 2009.

On balance, the Mail Division generated an EBITDA of EUR 71.2m, whereas EBIT in Q1 2009 amounted to EUR 63.1m, a decrease of 14.9%, or EUR 11.0m, from the comparable period of the previous year.

Parcel & Logistics Division

EUR m	Q1 2007	Q1 2008	Q1 2009	Change in EUR m
External sales	182.9	191.2	190.9	–0.3
Internal sales	8.4	8.8	6.4	–2.4
Total revenue	191.3	199.9	197.3	–2.6
EBITDA	**14.9**	**11.0**	**7.1**	**–3.9**
Depreciation and amortisation	–5.2	–6.3	–6.4	+0.1
EBIT	**9.7**	**4.7**	**0.7**	**–4.0**
EBITDA margin[1]	7.8%	5.5%	3.6%	–
EBIT margin[1]	5.0%	2.3%	0.4%	–
Employees[2]	3,231	4,048	4,000	–1.2%

[1] Relative to total revenue
[2] Average for the period, full-time equivalents

In the first quarter of 2009, external sales of the Parcel & Logistics Division declined by 0.1%, to EUR 190.9m, which is mainly related to recessionary trends in core markets. Moreover, downward pressure on prices has been perceptible in all markets.

The main contribution to total revenue was made by the premium parcel service (parcel delivery within 24 hours to private and business customers), which accounted for EUR 160m. Against the backdrop of the international recession, revenue fell in several countries. However, land transport suffered a more moderate decline than many other logistics segments, such as in the freight or express businesses. For the most part, this drop in parcel volumes was compensated by an expansion in the consolidation scope.

From a regional perspective, the subsidiary trans-o-flex focusing on pharmaceutical logistics, combined freight and temperature-controlled transport in Germany accounted for the largest revenue share in this product segment, at about 75%. This was followed by the Austrian market (9%), which featured ongoing growth in B2B parcel volumes, South Eastern Europe and Eastern Europe (8%), and the trans-o-flex companies in the Netherlands and Belgium (8%).

Total revenue generated by the standard parcels segment in Austria totalled EUR 31m. Business development remained stable in the first quarter of 2009, following the revenue decline in the previous year resulting from the loss of two large mail order customers.

EBIT of the Parcel & Logistics Division in Q1 2009 was still positive, at EUR 0.7m, but was nevertheless considerably below the operating result achieved in the preceding year. This development is related to the perceptible price pressure, a recession-related delayed turnaraound in the Netherlands as well as reduced internal sales. As of June 1, 2009, the situation of Austrian Post will change due to a newly-concluded customer relationship with the parcel provider Hermes. An annual volume growth of several million parcels is expected as a consequence of the newly-signed contract.

Branch Network Division

EUR m	Q1 2007	Q1 2008	Q1 2009	Change in EUR m
External sales	49.7	48.0	50.7	+2.7
Internal sales	52.5	50.9	47.5	–3.4
Total revenue	102.2	98.9	98.1	–0.7
EBITDA	**5.7**	**4.0**	**1.6**	**–2.5**
Depreciation and amortisation	–1.1	–1.5	–1.4	–0.1
EBIT	**4.6**	**2.6**	**0.2**	**–2.4**
EBITDA margin[1]	5.6%	4.1%	1.6%	–
EBIT margin[1]	4.5%	2.6%	0.2%	–
Employees[2]	5,080	4,907	4,748	–3.2%

[1] Relative to total revenue
[2] Average for the period, full-time equivalents

During the first three months of 2009, external sales of the Branch Network Division climbed by 5.6% compared to Q1 2008. Despite the current market situation, Austrian Post raised sales of retail products, particularly in the mobile telephony and fixed line segments.

The financial services segment also showed a gratifying development. The volume of savings deposited at varying interest rates increased, as did investments in securities.

The change of internal sales of the Branch Network Division, which fell by –6.7%, is attributable to the decline in letter mail and parcel volumes in the branch network, as well as the decrease in philately sales, which climbed in the previous year as a result of UEFA EURO 2008™ and a large international postage stamp exhibition.

Due to the lower internal sales, EBIT of the Branch Network Division fell to EUR 0.2m, down from EUR 2.6m in the first quarter of the preceding year.

The planned conversion of 300 unprofitable company-operated branches to partner-operated postal service points will be carried out in the second half of 2009, and thus has not yet resulted in any efficiency-enhancing effects.

Consolidated interim financial statements

Consolidated income statement

EUR m	Q1 2008	Q1 2009
Revenue	609.9	595.2
Other operating income	14.7	16.6
Total operating income	624.6	611.8
Raw materials, consumables and services used	–183.1	–186.5
Staff costs	–297.5	–289.9
Depreciation, amortisation and impairment losses	–25.5	–24.5
Other operating expenses	–68.9	–67.8
Total operating expenses	–575.0	–568.6
Profit from operations	**49.6**	**43.2**
Share of profit/loss of associates	0.2	4.6
Other financial result	2.1	0.7
Total financial result	2.3	5.3
Profit before tax	**52.0**	**48.4**
Income tax	–10.1	–14.7
Profit for the period	**41.9**	**33.7**
Attributable to:		
Equity holders of the parent company	41.9	33.7
Minority interest	0.0	0.0
EUR		
Basic earnings per share	0.60	0.50
Diluted earnings per share	0.60	0.50
EUR m		
Profit from operations	49.6	43.2
Share of profit/loss of associates	0.2	4.6
Earnings before interest and tax (EBIT)	**49.9**	**47.8**

Statement of comprehensive income

EUR m	Q1 2008	Q1 2009
Profit for the period	**41.9**	**33.7**
Currency translation differences	0.2	–1.2
Revaluation of financial instruments held for sale	–1.4	–2.3
Deferred taxes	0.3	0.6
Revaluation of hedging transactions	0.0	0.2
Deferred taxes	0.0	–0.1
Other comprehensive income	–0.9	–2.8
Total comprehensive income	**41.0**	**30.9**
Attributable to:		
Equity holders of the parent company	41.0	30.9
Minority interest	0.0	0.0

Statement by the
Management Board
Business development Q1
Performance of divisions
**Consolidated interim
financial statements**
Notes

Consolidated balance sheet

EUR m	Dec. 31, 2008	March 31, 2009
ASSETS		
Non-current assets		
Goodwill	196.5	196.5
Intangible assets	79.7	76.9
Property, plant and equipment	725.9	719.1
Investment property	36.5	36.1
Investments in associates	7.3	5.1
Financial investments in securities	92.3	104.7
Other financial assets	39.9	39.9
Receivables	14.9	13.2
Deferred tax assets	59.2	59.7
	1,252.1	**1,251.3**
Current assets		
Financial investments in securities	0.2	10.2
Inventories	26.3	26.8
Receivables	347.8	362.2
Cash and cash equivalents	248.1	241.1
	622.5	**640.2**
	1,874.6	**1,891.5**
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	350.0	350.0
Treasury shares	–12.2	–12.2
Capital and reserves	130.5	130.5
Revenue reserves	178.2	297.1
Revaluation of financial instruments	–24.5	–26.1
Currency translation reserves	0.7	–0.5
Profit for the period	118.9	33.7
	741.5	**772.4**
Non-current liabilities		
Provisions	466.2	468.0
Financial liabilities	45.5	40.7
Payables	15.7	14.1
Deferred tax liabilities	24.3	23.8
	551,8	**546,5**
Current liabilities		
Provisions	106.1	103.5
Tax provisions	13.1	13.7
Financial liabilities	103.1	103.1
Payables	359.0	352.1
	581.3	**572.5**
	1,874.6	**1,891.5**

Consolidated cash flow statement

EUR m	Q1 2008	Q1 2009
Operating activities		
Profit before tax	52.0	48.4
Depreciation, amortisation and impairment losses	25.5	24.5
Write-downs, write-ups of financial assets	0.0	–1.0
Share of profit/loss of associates	–0.3	–4.6
Non-current provisions	12.2	1.8
Gain/loss on disposal of non-current assets	–1.1	–0.1
Taxes paid	–8.4	–9.6
Net interest received/paid	–2.7	–2.0
Currency translation	–0.2	–0.2
Operating cash flow before changes in working capital	**77.0**	**57.3**
Changes in working capital		
Receivables	–17.6	–12.7
Inventories	–1.0	–0.4
Payables	–7.9	–11.2
Current provisions	3.2	–2.5
Cash flow from changes in working capital	**–23.3**	**–26.8**
Cash flow from operating activities	**53.7**	**30.5**
Investing activities		
Purchase of intangible assets	–0.1	–0.6
Purchase of property, plant and equipment	–16.8	–14.9
Acquisition of subsidiaries	0.0	–2.4
Acquisition/disposal of associates	0.0	6.6
Acquisition of minority interests	–2.6	0.0
Acquisition of financial investments in securities	0.0	–24.7
Proceeds from the sale of non-current assets	1.5	0.7
Dividends received from associates	0.5	0.1
Interest received	4.3	3.0
Cash flow from investing activities	**–13.2**	**–32.3**
Free cash flow	**40.5**	**–1.8**
Financing activities		
Changes in financial liabilities	–18.0	–4,3
Interest paid	–1.6	–1,0
Cash flow from financing activities	**–19.7**	**–5.2**
Net change in cash and cash equivalents	**20.8**	**–7.1**
Cash and cash equivalents at January 1st	309.4	248.1
Cash and cash equivalents on March 31st	**330.2**	**241.1**

Segment reporting

Business segments (divisions)

Q1 2008 EUR m	Mail	Parcel & Logistics	Branch Network	Other	Consoli-dation	Group
External sales	370.0	191.2	48.0	0.7	0.0	609.9
Internal sales	11.1	8.8	50.9	43.5	–114.3	0.0
Total revenue	**381.1**	**199.9**	**98.9**	**44.2**	**–114.3**	**609.9**
Other operating income	1.3	4.2	0.9	8.4	0.0	14.7
Total operating income	382.4	204.1	99.8	52.6	–114.3	624.6
Raw materials, consumables and services used	–103.1	–130.1	–16.2	–5.0	71.4	–183.1
Staff costs	–159.0	–36.4	–58.5	–43.6	0.0	–297.5
Other operating expenses	–37.9	–26.5	–21.1	–26.3	42.9	–68.9
Total operating expenses (excl. depreciation, amortisation and impairment losses)	–300.0	–193.1	–95.7	–74.9	114.3	–549.5
Share of profit/loss of associates	0.0	0.0	0.0	0.2	0.0	0.2
EBITDA	**82.4**	**11.0**	**4.0**	**–22.1**	**0.0**	**75.4**
Depreciation, amortisation and impairment losses	–8.3	–6.3	–1.5	–9.4	0.0	–25.5
Thereof: impairment losses	0,0	0,0	0,0	0,0	0,0	0,0
EBIT	**74.1**	**4.7**	**2.6**	**–31.5**	**0.0**	**49.9**
Segment assets	456.2	530.1	54.8	527.5	–98.1	1.470.5
Investments in associates	2.7	0.0	0.0	0.5	0.0	3.2
Segment liabilities	320.5	185.2	80.2	476.5	–90.8	971.6
Segment investments	8.9	6.2	0.4	2.4	0.0	17.9
Other non-cash expenses	1.7	–0.1	–0.4	10.9	0.0	12.2
Employees[1]	15,704	4,048	4,907	2,027	–	26,686

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

Business segments (divisions)

Q1 2009 EUR m	Mail	Parcel & Logistics	Branch Network	Other	Consoli-dation	Group
External sales	353.0	190.9	50.7	1.8	–1.1	595.2
Internal sales	10.9	6.4	47.5	41.8	–106.6	0.0
Total revenue	**363.9**	**197.3**	**98.1**	**43.6**	**–107.8**	**595.2**
Other operating income	1.3	4.9	1.4	8.8	0.2	16.6
Total operating income	365.2	202.2	99.5	52.4	–107.6	611.8
Raw materials. consumables and services used	–98.2	–131.2	–17.1	–5.4	65.5	–186.5
Staff costs	–161.5	–37.4	–60.9	–30.0	0.0	–289.9
Other operating expenses	–38.6	–26.5	–19.8	–24.9	42.1	–67.8
Total operating expenses (excl. depreciation. amortisation and impairment losses)	–298.4	–195.1	–97.9	–60.4	107.5	–544.2
Share of profit/loss of associates	4.4	0.0	0.0	0.2	0.0	4.6
EBITDA	**71.2**	**7.1**	**1.6**	**–7.7**	**0.0**	**72.2**
Depreciation. amortisation and impairment losses	–8.1	–6.4	–1.4	–8.5	0.0	–24.5
Thereof: impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**63.1**	**0.7**	**0.2**	**–16.2**	**0.0**	**47.8**
Segment assets	445.3	518.2	52.3	504.2	–91.4	1.428.6
Investments in associates	4.6	0.0	0.0	0.5	0.0	5.1
Segment liabilities	320.3	183.0	78.4	436.9	–92.2	926.3
Segment investments	6.4	6.1	0.3	3.3	0.0	16.2
Other non-cash expenses	0.5	–1.5	–0.6	3.3	0.0	1.8
Employees[1]	15,141	4,000	4,748	2,123	–	26,012

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

Geographical segments

Q1

	Austria		Germany		Other countries		Group	
Mio EUR	2008	2009	2008	2009	2008	2009	2008	2009
External sales	427.7	418.4	153.4	144.1	28.8	32.7	609.9	595.2
Segment assets	1,048.6	1,004.8	350.9	323.2	71.1	100.7	1,470.5	1,428.6
Segment investments	12.1	7.4	3.0	2.6	2.7	6.2	17.9	16.2

Consolidated statement of changes in equity

EUR m	Share capital	Treasury shares	Capital reserves	Revenue reserves	Revaluation of financial instruments: Held for sale	Revaluation of financial instruments: Hedging	Currency translation reserves	Profit for period	Total	Minority interest	Consolidated equity
Q1 2008											
Balance at January 1, 2008	**350.0**	**0.0**	**212.0**	**188.7**	**–0.5**	**0.0**	**1.0**	**122.5**	**873.7**	**0.6**	**874.3**
Acquisition of minority interests								–2.0	–2.0	–0.6	–2.6
Changes in reserves				120.5				–120.5	0.0		0.0
Profit for the period								41.9	41.9	0.0	41.9
Other comprehensive income					–1.0		0.2		–0.9		–0.9
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.0**	**–1.0**	**0.0**	**0.2**	**41.9**	**41.0**	**0.0**	**41.0**
Balance at March 31, 2008	**350.0**	**0.0**	**212.0**	**309.2**	**–1.5**	**0.0**	**1.2**	**41.9**	**912.7**	**0.0**	**912.7**

EUR m	Share capital	Treasury shares	Capital reserves	Revenue reserves	Revaluation of financial instruments: Held for sale	Revaluation of financial instruments: Hedging	Currency translation reserves	Profit for period	Total	Minority interest	Consolidated equity
Q1 2009											
Balance at January 1, 2009	**350.0**	**–12.2**	**130.5**	**178.2**	**–20.4**	**–4.2**	**0.7**	**118.9**	**741.5**	**0.0**	**741.5**
Changes in reserves				118.9				–118.9	0.0		0.0
Profit for the period								33.7	33.7	0.0	33.7
Other comprehensive income					–1.7	0.1	–1.2		–2.8		–2.8
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.0**	**–1.7**	**0.1**	**–1.2**	**33.7**	**30.9**	**0.0**	**30.9**
Balance at March 31, 2009	**350.0**	**–12.2**	**130.5**	**297.1**	**–22.1**	**–4.0**	**–0.5**	**33.7**	**772.4**	**0.0**	**772.4**

Notes

1 | Basis of preparation

The interim consolidated financial statements of Austrian Post as at March 31, 2009 were prepared in accordance with the binding International Financial Reporting Standards (IFRS) valid as at March 31, 2009, as issued by the International Accounting Standard Board (IASB) and adopted by the European Union. These interim consolidated financial statements correspond to the valid and applicable IFRS as at March 31, 2009, as published by the IASB.
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 2008 financial year.
In the first quarter of 2009, the following new or revised standards were binding for the first time:

New/revised standards		Effective date[1]
IFRS 1	First Time Adoption of IFRS	Jan. 1, 2009
IFRS 2	Share-Based Payment	Jan. 1, 2009
IFRS 8	Operating Segments	Jan. 1, 2009
IAS 1	Revised Presentation of Financial Statements	Jan. 1, 2009
IAS 23	Borrowing Costs	Jan. 1, 2009

[1] Applicable for accounting periods beginning on or after the effective date

The initial application of the revised standards IFRS 1 and IFRS 2 will not have any impact on the consolidated financial statements of the Austrian Post Group.
In accordance with the new standard IFRS 8 “Operating Segments”, segment reporting and segment identification must be prepared on the same basis as the information provided to the main decision-makers of the company for decision-making purposes (management approach). IFRS 8 completely replaces IAS 14 which has previously been used by Austrian Post. The initial application of this standard leads to a separate presentation of the reporting category “Other/Consolidation” and to more detailed information provided in the segment income statement.
The revised IAS 1 “Presentation of Financial Statements” is designed to facilitate the analysis and comparability of IFRS financial statements. Owner-related changes in equity must be separately disclosed from all other transactions leading to changes in equity. At Austrian Post, the amounts previously presented in the consolidated statement of changes in equity which were not recognised in profit or loss are now presented in a statement of comprehensive income.
The amendment to IAS 23 “Borrowing Costs” leads to a change in the accounting and valuation methods applied by Austrian Post. As of January 1, 2009, borrowing costs which can be classified as being directly related to the acquisition of qualifying assets are recognised as part of historical costs. However, application of the revised IAS 23 will not have any material impact on the financial position, profit and loss and cash flows of Austrian Post Group.
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.
For more detailed information on the applied accounting and valuation methods, refer to the consolidated financial statements for the 2008 financial year as at December 31, 2008, which serve as the basis for these current interim consolidated financial statements.

2 | Consolidation

In addition to the parent company Austrian Post AG, a total of 19 domestic subsidiaries (December 31, 2008: 19) and 42 foreign subsidiaries (December 31, 2008: 50), in which the company directly or indirectly holds a majority of the voting rights, are included in consolidation. Furthermore, four domestic companies (December 31, 2008: four) are consolidated according to the equity method.

Changes in the consolidation scope

The following changes to Group companies and mergers were carried out in the first quarter of 2009:

Company name	Interest From	Interest To	Date of transaction	Note
Mail				
Mader Zeitschriftenverlags GmbH	74.9%	25.1%	Feb. 27, 2009	Disposal of interest
Feibra Magyarországág (Cont-Média Kft Hungary)[1]	–	100.0%	Jan. 2, 2009	Merger
meiller direct AB (meiller lithorex AB)[1]	–	100,0%	Jan. 1, 2009	Merger
meiller direct (meiller Weiterverarbeitung, Lettershop und Dialog Service)[1]	–	100,0%	Jan. 1, 2009	Merger
Parcel & Logistics				
Road Parcel (Merland Expressz)[1]	–	100,0%	Jan. 1, 2009	Merger
VOP (HSH Holding)[1]	–	100,0%	Jan. 31, 2009	Merger
Distra (MIT Transport)[1]	–	100,0%	Jan. 31, 2009	Merger

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

At the end of February 2009, Austrian Post sold 49.8% of its stake in Mader Zeitschriftenverlags GmbH, Vienna. The interest held by Austrian Post in Mader, which is still consolidated according to the equity method, now amounts to 25.1%. Proceeds derived from the sale, totalling EUR 4.4m, are reported in the share of profit/loss of associates.

3 | Contingent liabilities and assets

The contingent assets presented in the consolidated financial statements as at December 31, 2008 remained unchanged in the first quarter of the 2009 financial year. Compared to December 31, 2008, there was no significant change in the level of contingent liabilities.

4 | Other information

As at March 31, 2009, there was no material change in the transactions with related parties as presented in the consolidated financial statements as at December 31, 2008.

5 | Events after the end of the reporting period

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 March 31, 2009, 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 financial statements to the extent known to the company.

Within the context of the authorisation granted by the Annual General Meeting held on April 22, 2008, all treasury shares (2,447,362 shares) were withdrawn effective April 24, 2009. The share capital of Austrian Post has been reduced by EUR 12.2m, to EUR 337.8m, and is now divided into a total of 67,552,638 no-par value shares (up to April 23, 2009: 70,000,000 no-par value shares).

In line with the proposal made by the Management Board, the Annual General Meeting held on May 6, 2009 resolved to pay a basic dividend of EUR 1.50 per share (EUR 101.3m). Moreover, the distribution of a special dividend of EUR 1.00 per share (EUR 67.7m) was approved. This corresponds to a total dividend payout of EUR 168.9m. The dividend payment day for the basic dividend is May 20, 2009, and August 20, 2009 for the special dividend.

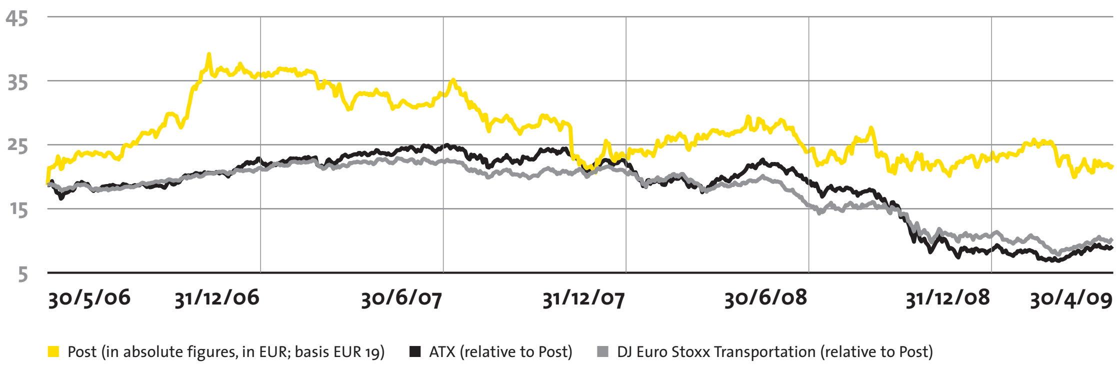
Vienna, May 11, 2009

Rudolf Jettmar   Herbert Götz   Walter Hitziger   Carl-Gerold Mende

Financial calendar

May 19, 2009	Interim report for the first quarter of 2009
May 20, 2009	Ex-dividend day and dividend payment day for the basic dividend of EUR 1.50 per share
August 13, 2009	Half-year financial report 2009
August 20, 2009	Ex-dividend day and dividend payment day for the special dividend of EUR 1.00 per share
November 13, 2009	Interim report for the first three quarters of 2009

Development of the Post share



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We have prepared this interim 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 assessments and 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 point out 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 prevails.

Editorial deadline: May 11, 2009

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