Report for the first three Quarters of 2007

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Österreichische Post AG

However you look at it:
Austrian Post delivers for you.

Highlights Q1–Q3 2007

Group revenues up 31.2% compared to 2006

Successful acquisitions in the first nine months of 2007:

- Scanpoint Europe (Germany/digitalisation and administration of documents)
- meiller direct (Germany/direct mail production)
- Road Parcel and Merland Expressz (Hungary/parcel services)
- Scherübl (Austria/temperature-controlled special logistics)
- Acquisition of parcel services providers in Holland and Belgium as at October 1, 2007

Purchase of a 5% shareholding in the consortium acquiring Austrian Post's banking partner BAWAG P.S.K.

Earnings before interest and tax (EBIT) climb 26.2% to EUR 118.3m

Operating cash flow before changes in working capital up 7.4%

Dividend proposal to Annual General Meeting: 40% increase for 2007 to EUR 1.40/share

Austrian Post – key figures

		Q1–Q3 2006	Q1–Q3 2007	Change in %
Income statement				
Revenue	EUR m	1,271.1	1,667.3	+31.2%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	EUR m	173.4	190.5	+9.9%
EBITDA margin	%	13.6%	11.4%	–
Earnings before interest and tax (EBIT)	EUR m	93.7	118.3	+26.2%
EBIT margin	%	7.4%	7.1%	–
Earnings before tax (EBT)	EUR m	97.0	123.4	+27.2%
Profit for the period	EUR m	70.7	96.1	+35.9%
Earnings per share (basis of 70m shares)	EUR	1.01	1.37	+35.9%
Employees (average for period, full-time equivalents)		24,621	25,522	+3.7%
Cash flow				
Operating cash flow before changes in working capital	EUR m	193.5	207.8	+7.4%
Cash flow from operating activities	EUR m	147.6	211.3	+43.2%
Investment in property, plant and equipment	EUR m	35.2	70.8	+101.0%
Investment in Group holdings	EUR m	1.6	56.0	–
Free cash flow	EUR m	166.6	91.6	–45.0%
Balance sheet		**31.12.2006**	**30.9.2007**	
Total assets	EUR m	1,901.6	1,984.1	+4.3%
Non-current assets	EUR m	1,272.9	1,355.8	+6.5%
Current assets	EUR m	614.9	625.8	+1.8%
Non-current assets held for sale	EUR m	13.8	2.4	–82.3%
Capital and reserves	EUR m	821.4	845.5	+2.9%
Non-current liabilities	EUR m	564.0	618.9	+9.7%
Current liabilities	EUR m	516.2	519.0	+0.5%
Key balance sheet indicators		**31.12.2006**	**30.9.2007**	
Interest-bearing liabilities	EUR m	–607.6	–698.5	+15.0%
Interest-bearing assets	EUR m	433.7	472.4	+38.7%
Net debt	EUR m	173.9	226.1	+30.0%
Equity ratio	EUR m	43.2%	42.6%	–

Statement by the Management Board

The performance of Austrian Post in the first three quarters of 2007 was once again very gratifying. We successfully continued our targeted acquisition drive. Moreover, we also significantly strengthened our core business activities, and expanded our portfolio of services.

Successful business development

Austrian Post's revenues and earnings developed positively in the first three quarters of 2007. Group revenues climbed by 31.2%, to EUR 1,1667.3m, which can be largely attributed to the integration of trans-o-flex, which was acquired at the end of 2006. On the basis of this sold performance, the profit for the period and the cash flow could be further improved.

Successful acquisition strategy

The strategy of the company, based on three cornerstones – optimising the core business, creating new areas of competence along the value added chain, and further developing international networks – continued to be implemented as planned in 2007.

Due to the initial consolidation of new subsidiaries in the first three quarters of 2007, we succeeded in creating important new areas of competence. In the Mail Division, this was reflected in the acquisition of meiller direct and Scanpoint. Through the purchase of the German direct marketing services provider meiller direct, we are now able to offer our customers a complete portfolio of direct marketing services. This not only encompasses the conception, printing and delivery of advertising mail items, but also the possibility to print invoices, account statements and other types of customer information. We consider these complementary services as a strengthening of our capabilities in the direct marketing segment. In contrast, Scanpoint successfully operates in the growth segment of document digitalisation and archiving, focusing on developing new, value-added solutions for our customers. In October, we succeeded in acquiring ST Media, another company specialising in the delivery of unaddressed advertising mail items in Croatia.

Following the acquisition of the German specialist logistics company trans-o-flex, our expansion drive in the Parcel & Logistics Division was further complemented by acquisitions in Holland (DDS) and Belgium (VOP), as well as the takeover of Scherübl, an Austrian company specialising in temperature-controlled logistics. The purchase of Road Parcel Logistics and Merland Expressz represents an important step in successfully penetrating the parcel logistics market in Hungary, Austria's eastern neighbour. Furthermore, our business operations in the Central European region proceeded quite favourably. Austrian Post is striving to expand its market position in these countries. In the Branch Network Division, our financial services are being considerably strengthened. In addition to Austrian Post's purchase of a 5% shareholding in the consortium acquiring BAWAG P.S.K., a drive to newly position the branch network of PSK Bank has been launched.

Outlook

Within the context of a business environment characterised by increasing competition, Austrian Post continues to expect a stable mail market for the year 2007. Austrian Post has revised its original forecast upwards, and now predicts that earnings before interest and tax (EBIT) will be 25%–30% higher in 2007 in comparison to 2006. Based on this good business development, the Management Board of Austrian Post will propose a 40% increase in the dividend for the 2007 financial year, amounting to EUR 1.40 per share, to the Annual General Meeting.

Anton Wais Chairman of the Management Board	Rudolf Jettmar Deputy Chairman of the Management Board	Herbert Götz Member of the Management Board	Walter Hitziger Member of the Management Board

Business development in the first three quarters of 2007

Economic and market environment

The favourable economic environment in Austria continued unabatedly in the third quarter of 2007. Current forecasts anticipate 3.2% GDP growth for 2007 (Source: Institute for Advanced Studies, Vienna). On this basis, the letter mail market is expected to remain stable, whereas a slight expansion in the parcels business can be anticipated.

At the end of 2006, the EU Commission presented its draft proposal for guidelines regulating the total liberalisation of the postal market. This proposal, which foresees a complete opening of the postal sector in 2009, was extensively discussed in the EU Parliament and the EU Council of Ministers within the framework of the codecision procedure. The main result of these negotiations was adoption of a two-step liberalisation timetable. Generally, the full-scale opening of the European postal sector will first take place at the beginning of 2011. At the same time, the following member states were granted a two-year delay, enabling them to postpone postal sector liberalisation until the beginning of 2013: Cyprus, Czech Republic, Greece, Hungary, Latvia, Lithuania, Luxemburg, Malta, Poland, Romania and Slovakia. Austrian Post principally welcomes the postponement of the market opening until 2011, enabling countries to exploit the window of opportunity and adapt national postal laws to a fully competitive market. In particular, this applies to the creation of a level playing field for all providers of postal services, the harmonisation of labour regulations and the creation of an effective financing mechanism to ensure universal postal services in a liberalised market. However, the EU Postal Directive has not yet been formally adopted. A second reading of the guidelines will take place in the EU Parliament in the fall of 2008. Nevertheless, the cornerstones of the reform package, for example the liberalisation timetable, have been agreed upon.

Changes in consolidation / acquisitions

As of January 1, 2007, the 74.9% shareholding in the specialist logistics company trans-o-flex, legally acquired effective December 21, 2006, was incorporated into the consolidated financial statements of Austrian Post. In addition, the initial consolidation of two other subsidiaries took place: Weber Escal/Croatia, as at January 2, 2007 (consolidated at 100%), and Scanpoint Europe, Germany, effective January 31, 2007 (consolidated at 51.0%). On April 25, 2007, Austrian Post acquired a 74.9% shareholding in Scherübl Transport GmbH, Austria, which is a transport company specialising in temperature-controlled logistics. In Eastern Europe, on May 2, 2007, Austrian Post further acquired a 100% shareholding in the Hungarian companies Road Parcel Logistics Kft. and Merland Expressz Kft., which operate in the field of business-to-business parcel logistics in Hungary. In addition, meiller direct, the German company acquired as at July 31, 2007, represents a major expansion of the portfolio of services offered by Austrian Post along the value added chain in the letter mail segment. The services provided encompass the conception and production of documents and direct mailings at two facilities located in Germany and the Czech Republic. In the year 2006, meiller direct achieved revenues of EUR 112m, employing a total of about 1,100 employees. The initial consolidation of all the acquired companies took place at the date of acquisition.

Business development – earnings

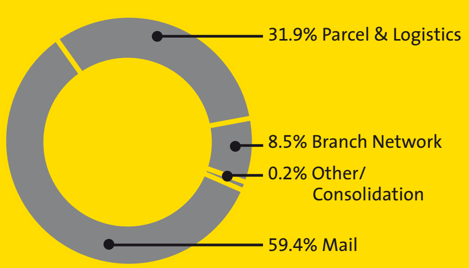
Austrian Post performed very positively in the first nine months of 2007. Austrian Post increased its total revenues by 31.2%, to EUR 1,667.3m. A major contribution to the growth in revenues (about EUR 360m) can be attributed to the initial consolidation of trans-o-flex (Parcel & Logistics Division), which was acquired at the end of 2006. On balance, revenues from the Mail Division were up 3.3% during the first three quarters of 2007, and the Parcel & Logistics Division improved by 225.1% in the same period. In contrast, the Branch Network Division posted a decline in revenues of 2.5%. Austrian Post's performance in the third quarter basically followed the same pattern. Total Austrian Post revenues improved by 34.4% in Q3 2007, to EUR 550.4m. Revenues in the Mail Division increased by 6.1% compared to Q3 2006, the Parcel & Logistics Division improved by 234.5%, whereas Branch Network Division revenues fell by 1.2%.

Revenue by division[1)]

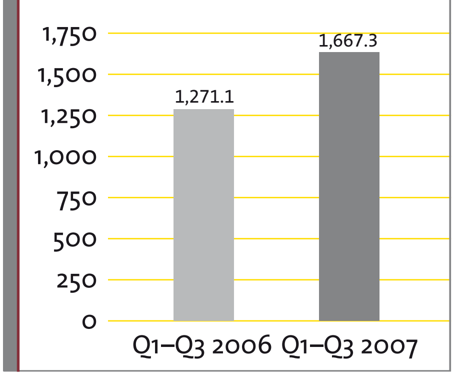
EUR m	Q1–Q3 2006	Q1–Q3 2007	Change in %	Structure Q1–Q3 2007 in %	Q3 2006	Q3 2007
Total revenue	**1,271.1**	**1,667.3**	**+31.2%**	**100.0%**	**409.7**	**550.4**
Mail	958.8	990.4	+3.3%	59.4%	308.3	327.0
Parcel & Logistics	163.5	531.6	+225.1%	31.9%	52.1	174.4
Branch Network	145.4	141.8	–2.5%	8.5%	48.6	48.0
Other/Consolidation	3.3	3.6	+7.1%	0.2%	0.7	1.0

1) External sales

Q1–Q3 revenue by division (%)



Q1–Q3 revenue (EUR m)



Consolidated income statement for the first three quarters of 2007

EUR m	Q1–Q3 2006	Q1–Q3 2007	Change in %	Structure Q1–Q3 2007 in %	Q3 2006	Q3 2007
Revenue	**1,271.1**	**1,667.3**	**+31.2%**	**100.0%**	**409.7**	**550.4**
Other operating income	39.2	52.5	+34.0%	3.2%	10.7	15.6
Raw materials, consumables and services used	–187.4	–491.1	+162.0%	29.5%	–60.9	–168.3
Staff costs	–789.4	–838.1	+6.2%	50.3%	–250.0	–268.8
Other operating expenses	–161.2	–200.5	+24.3%	12.0%	–54.4	–68.7
Share of profit/loss of associates	1.2	0.4	–69.3%	–	0.5	0.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**173.4**	**190.5**	**+9.9%**	**11.4%**	**55.5**	**60.3**
Depreciation, amortisation and impairment losses	–79.7	–72.2	–9.3%	4.3%	–28.0	–27.0
Earnings before interest and tax (EBIT)	**93.7**	**118.3**	**+26.2%**	**7.1%**	**27.4**	**33.3**
Other financial result	3.3	5.1	+55.7%	0.3%	2.2	3.6
Earnings before tax (EBT)	**97.0**	**123.4**	**27.2%**	**7.4%**	**29.6**	**36.9**
Income tax	–26.3	–27.3	+3.9%	1.6%	–10.6	–8.6
Profit after tax = Profit for the period	**70.7**	**96.1**	**+35.9%**	**5.8%**	**19.1**	**28.2**
Minority interests	–	0.1	–	–	–	–0.1

The structure of the income statement of Austrian Post has changed considerably as a result of the consolidation of trans-o-flex, which features a very flexible cost structure, comparatively low staff costs and a high level of external services used. Accordingly, Austrian Post's staff costs now only comprise about 50% of total revenues (previously more than 60%), whereas the share of expenses for raw materials, consumables and services used has climbed to roughly 29% of total revenues (previously about 15%).

The staff costs of Austrian Post amounting to EUR 838.1m in the first three quarters of 2007 include an allocation to the provisions for employee under-utilisation of EUR 74.2m for Q1–Q3 2007. Such provisions for employee under-utilisation are generally made when employees are completely or partially under-utilised, and thus surplus capacity may not be reduced due to the terms of existing employment contracts. The resulting staff costs arising for the affected employees, for whom the provisions were allocated in previous periods, is covered by making use of the provisions allocated for employee under-utilisation to the sum of EUR 19.6m in the first nine months of 2007.

Accordingly, the net increase in provisions for under-utilisation during the first three quarters of 2007 totalled EUR 54.6m (Q1–Q3 2006: EUR 72.2m). This amount represents the net rise of this balance sheet item from EUR 270.9m as at January 1, 2007, to EUR 325,5m as at September 30, 2007.

In the first nine months of 2007, EBITDA rose 9.9% year-on-year to EUR 190.5m (Q3 2007: EUR 60.3m). The EBITDA margin amounted to 11.4%.

EBIT by division

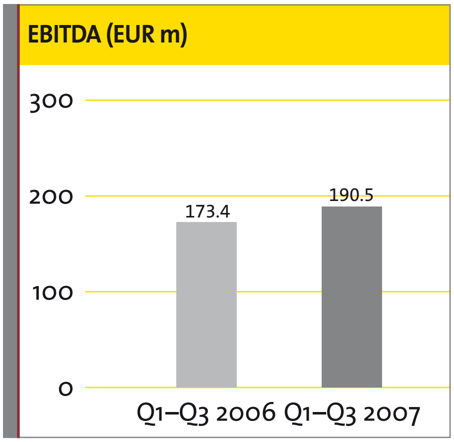
EUR m	Q1–Q3 2006	Q1–Q3 2007	Change in %	Q3 2006	Q3 2007
Total EBIT	**93.7**	**118.3**	**+26.2%**	**27.4**	**33.3**
Mail	190.8	188.4	–1.3%	59.5	55.0
Parcel & Logistics	15.9	20.8	+31.1%	6.3	5.8
Branch Network	8.5	9.7	+13.9%	–2.4	3.9
Other/Consolidation	–121.5	–100.6	+17.2%	–35.9	–31.4

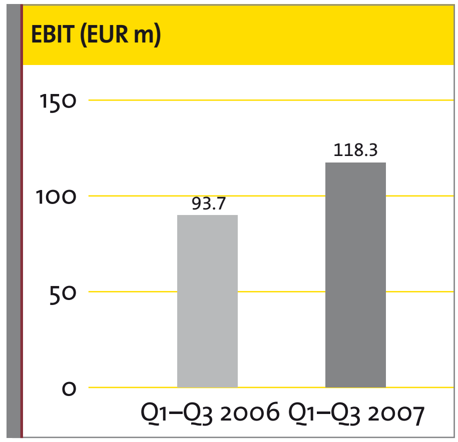
In the first three quarters of 2007, the EBIT (earnings before interest and tax) of Austrian Post increased by 26.2%, to EUR 118.3m, in comparison to the preceding year. Accordingly, the EBIT margin amounted to 7.1%. In Q3 2007, Austrian Post achieved an EBIT of EUR 33.3m, up from EUR 27.4m in Q3 2006.

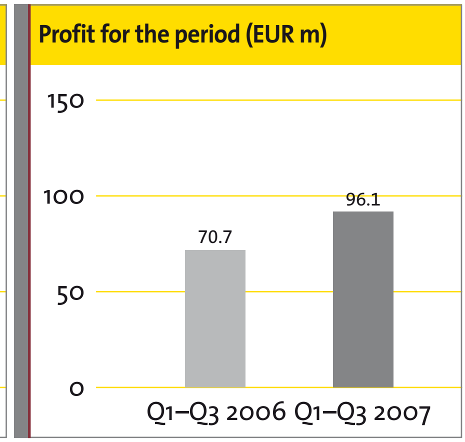
All operating divisions made a positive contribution to earnings. EBIT at the Mail Division was EUR 188.4m, at the Parcel & Logistics Division EUR 20.8m, and at the Branch Network Division EUR 9.7m.

The Other and Consolidation segment posted a negative EBIT of EUR 100.6m in the first three quarters, a considerably more favourable performance than in the preceding year (Q1–Q3 2006: minus EUR 121.5m). This item encompasses costs for central departments, expenses in connection with unused properties, as well as increases in provisions for under-utilisation.

Earnings before tax rose 27.2%, to EUR 123.4m, while profit for the period improved by 35.9%, to EUR 96.1m. Accordingly, earnings per share amounted to EUR 1.37 in the first three quarters of 2007 (Q3 2007: EUR 0.40).







Assets and finances

Balance sheet analysis

EUR m ASSETS	Dec. 31, 2006	Sept. 30, 2007	Structure Sept. 30, 2007 in %
Non-current assets	1,272.9	1,355.8	68.3%
thereof other financial assets and investments in securities	204.5	216.8	10.9%
Current assets	614.9	625.8	31.5%
thereof cash and cash equivalents	229.4	250.9	12.6%
Non-current assets held for sale	13.8	2.4	0.1%
	1,901.6	**1,984.1**	**100.0%**
EQUITY AND LIABILITIES			
Capital and reserves	821.4	846.5	42.6%
Non-current liabilities	564.0	618.9	31.2%
thereof provisions	425.8	486.5	24.5%
Current liabilities	516.2	519.0	26.2%
	1,901.6	**1,984.1**	**100.0%**

As at September 30, 2007, total assets of Austrian Post amounted to EUR 1,984.1m. Non-current assets predominate on the assets side, accounting for close to 70% of total assets, or EUR 1,355.8m. The largest non-current asset items are property, plant and equipment, with EUR 719.5m, financial investments in securities and other financial assets of EUR 216.8m, as well as intangible assets and goodwill totalling EUR 303.5m.

The principal current asset items are receivables, at EUR 347.1m, as well as cash and cash equivalents, at EUR 250.9m.

On the equity and liabilities side, the main items are capital and reserves (42.6%) and non-current liabilities (31.2%). Non-current liabilities of EUR 618.9m largely consist of provisions totalling EUR 486.5m, including provisions for under-utilisation, which rose EUR 54.6m in the first three quarters, to EUR 325.5m.

At present, Austrian Post has a net debt position of EUR 226.1m. This financial figure represents the difference between interest-bearing assets (securities, cash and cash equivalents) amounting to EUR 472.4m, and interest-bearing debt (provisions, financial liabilities, social capital and other interest-bearing liabilities) totalling EUR 698.5m.

Cash flow

EUR m	Q1–Q3 2006	Q1–Q3 2007
Operating cash flow before changes in working capital	**193.5**	**207.8**
+/– Cash flow from changes in working capital	–45.9	3.5
= **Cash flow from operating activities**	**147.6**	**211.3**
+/– Cash flow from investing activities	19.0	–119.7
= **Free cash flow**	**166.6**	**91.6**
+/– Cash flow from financing activities	–40.7	–70.1
= **Net increase in cash and cash equivalents**	**125.9**	**21.4**

In the period under review, operating cash flow before changes in working capital climbed by 7.4% compared to the first three quarters of the previous year, to EUR 207.8m. This improvement can be primarily attributed to an increase in earnings before tax.

The cash flow from changes in working capital amounted to EUR 3.5m in the first three quarters of 2007. Both receivables and liabilities declined in this period.

Accordingly, total cash flow from operating activities amounted to EUR 211.3m for the first nine months of 2007.

The cash flow from investing activities totalled minus EUR 119.7m during the period under review, comprising the purchase of property, plant and equipment amounting to EUR 70.8m, the acquisitions carried out in the first three quarters (Weber Escal, Scanpoint, Scherübl, Road Parcel, Merland Expressz and meiller direct) as well as the purchase of a 5% stake in the consortium acquiring BAWAG P.S.K.

In the first three quarters of 2007, total free cash flow was EUR 91.6m, before the dividend payout amounting to EUR 70.0m for the 2006 financial year.

Capital expenditure

In the first three quarters of 2007, capital expenditure on the part of Austrian Post reached a level of EUR 70.8m. The majority of the investments related to projects in Austria. The focus was on investments designed to acquire developed commercial real estate to expand the existing logistics centre in Salzburg, to acquire developed commercial real estate in Croatia, as well as to modernise and expand the sorting centres in Austria. For the first time, the investments of trans-o-flex were included in the consolidated financial statements of Austrian Post during the period under review. Austrian Post invested a total of EUR 56.0m to acquire subsidiaries and EUR 76.4m to acquire other financial assets (purchase of a shareholding in the consortium acquiring BAWAG P.S.K.).

Employees

In the first three quarters of 2007, the average number of full-time employees at Austrian Post increased by 3.7%, or 900 employees, compared to the same period in the preceding year, to the current level of 25,522 employees. This increase is related to the integration of trans-o-flex and other subsidiaries, whereas Austrian Post reduced the number of its employees in its domestic market of Austria.

Employees by division[1)]

	Q1–Q3 2006	Q1–Q3 2007	Structure in %	2006
Mail	15,426	15,470	60.6%	15,311
Parcel & Logistics	2,271	3,281	12.9%	2,265
Branch Network	5,266	5,103	20.0%	5,236
Other/Consolidation	1,658	1,667	6.5%	1,645
Total	**24,621**	**25,522**	**100.0%**	**24,456**

1) Average for period, full-time equivalents

Main risks/uncertainties for the remaining three months of the 2007 financial year

As a postal and logistics services provider operating on an international basis, Austrian Post is subject to different risks in carrying out its business activities. The company proactively deals with these strategic and operational risks. The focus on its core business activities along with decades of experience in this business have enabled Austrian Post to identify risks at an early stage, evaluate them and take 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 consolidated financial statements for 2006 and in the Annual Report 2006 of Austrian Post (see Annual Report 2006, pages 72-75). Uncertainties pertaining to the remaining three months of the 2007 financial year can be deduced from these risks. In the Mail Division, the anticipated mail volumes are subject to seasonal fluctuations as well as the economic development in the respective customer segments. Subsequently, planning assumptions may naturally deviate from the actual figures. Furthermore, Austrian Post is subject to increasing competition. As already mentioned, a German parcel services company commenced operations on the Austrian market on July 1, 2007. The owner of the new competitor, operating in the mail order business, was formerly an important parcels customer of Austrian Post, accounting for about 8m parcels annually in Austria (total number of parcels delivered by Austrian Post in 2006: approx. 47m). This is the primary reason for assuming a corresponding decline in Austrian Post's revenues in the country's parcels market. Earnings from financial services provided by the Branch Network Division are strongly dependent on the business development of Austrian Post's banking partner BAWAG P.S.K.

Outlook for 2007

Within the context of a business environment characterised by increasing competition, Austrian Post continues to expect a stable mail market for the year 2007. All in all, Austrian Post continues to anticipate that organic revenue will remain constant in the 2007 business year. Additional growth will be driven by the initial consolidation of new subsidiaries. Austrian Post has revised its original forecasts upwards, and now predicts that earnings before interest and tax (EBIT) will be 25%-30% higher in 2007 in comparison to 2006 (earlier forecast: 20%-25%). The basis for this expected increase is the contribution to earnings on the part of the new subsidiaries, as well as a further improvement in operating income. Based on this favourable business development, the Management Board of Austrian Post will propose a 40% increase in the dividend for the 2007 financial year, amounting to EUR 1.40 per share, to the next Annual General Meeting.

Events after the end of the interim reporting period
As at October 1, 2007, Austrian Post acquired a 100% shareholding in Osselaer Pieters Colli Services (VOP), Belgium, and DDS Dedicated Distribution Services, Netherlands. Both companies are specialist logistics companies for business-to-business deliveries, focusing on combined freight services. Moreover, Austrian Post acquired a 100% shareholding in the Croatian company ST Media, legally effective as at October 31, 2007. ST Media operates in the delivery of unaddressed mail items on the Croatian market.

Performance of divisions

Mail Division

Mail Division – key figures

EUR m	Q1–Q3 2006	Q1–Q3 2007	Change in %	Q3 2006	Q3 2007
External sales	**958.8**	**990.4**	**+3.3%**	**308.3**	**327.0**
Letter Mail	564.9	574.9	+1.8%	178.9	181.8
Infomail	298.1	323.1	+8.4%	97.6	116.6
Media Post	95.8	92.4	–3.6%	31.8	28.7
Internal sales	49.3	35.1	–28.7%	15.3	10.7
Total revenue	1,008.1	1,025.5	+2.0%	323.6	337.7
EBIT	**190.8**	**188.4**	**–1.3%**	**59.5**	**55.0**
EBIT margin[1]	18.9%	18.4%	–	18.4%	16.3%
Employees[2]	15,426	15,470	+0.3%	–	–

1) Relative to total revenue
2) Average for period, full-time equivalents

In the first three quarters of 2007, year-on-year external sales by the Mail Division rose by 3.3% compared to the same period last year, to EUR 990.4m. External sales in Q3 2007 were 6.1% higher than in Q3 of the previous year.

Business development in the Letter Mail Business Area was quite satisfactory, achieving a 1.8% increase in revenues in the first three quarters of 2007, whereas Q3 2007 revenues were up 1.6% compared to Q3 2006. The growth in revenues can be primarily attributed to the good development of Scanpoint, acquired by Austrian Post as at January 1, 2007. The delivery of passports in Austria also gave a perceptible impetus to business operations. The decline in business in other areas was more than compensated for by these positive effects.
External sales of the Infomail Business Area (addressed and unaddressed advertising) climbed by 8.4% in the first nine months of 2007, to EUR 323.1m. Q3 2007 revenue growth amounted to 19.5%. A considerable contribution was made by the initial consolidation of the direct mail services provider meiller direct (consolidated as at July 31, 2007), as well as the very satisfactory business development in Croatia and Slovakia. The Austrian market remained stable. The 3.6% revenue decrease in the Media Post Business Area during the period under review can be attributed to the lack of positive one-off effects, as was the case in the year 2006 (extensive mailings in relation to national elections).

On balance, the Mail Division achieved an EBIT of EUR 188.4m in the first nine months of 2007 (minus 1.3%). Q3 2007 EBIT totalled EUR 55.0m.

Parcel & Logistics Division

Parcel & Logistics Division – key figures

EUR m	Q1–Q3 2006	Q1–Q3 2007	Change in %	Q3 2006	Q3 2007
External sales	**163.5**	**531.6**	**+225.1%**	**52.1**	**174.4**
Internal sales	36.3	23.2	–36.1%	12.2	7.3
Total revenue	199.8	554.7	+177.7%	64.4	181.7
EBIT	**15.9**	**20.8**	**+31.1%**	**6.3**	**5.8**
EBIT margin[1]	7.9%	3.7%	–	9.8%	3.2%
Employees[2]	2,271	3,281	+44.5%	–	–

1) Relative to total revenue
2) Average for period, full-time equivalents

External sales by the Parcel & Logistics Division climbed to EUR 531.6m during the first three quarters of 2007. The increase chiefly relates to the initial consolidation of trans-o-flex, which contributed about EUR 360m in revenues, but is also partly the result of organic growth. Revenues posted by Austrian Post's subsidiaries in Slovakia and Croatia also developed very positively.

In Q3, competition in the parcels business for private customers (business to consumer) intensified significantly. Due to the market entry of a German parcel services provider, there was a considerable decrease in parcels volumes, due to the fact that the owner of the new competitor was formerly an important parcels customer of Austrian Post, mailing about 8m parcels annually.
Business at trans-o-flex, consolidated as at January 1, 2007, has developed as planned. Due to the fact that trans-o-flex carries out a depreciation of its customer relationships amounting to about EUR 7m annually, the operating income of the Parcel & Logistics Division is correspondingly higher.

In terms of costs, increased IT expenditures in the Parcel & Logistics Division during the first three quarters of 2007 resulted from the implementation of a new logistics software system enabling comprehensive data collection.

All in all, the Parcel & Logistics Division posted EBIT amounting to EUR 20.8m (Q1–Q3 2006: EUR 15.9m) in the first three quarters of 2007, an increase of 31.1%.

Branch Network Division

Branch Network Division – key figures

EUR m	Q1–Q3 2006	Q1–Q3 2007	Change in %	Q3 2006	Q3 2007
External sales	**145.4**	**141.8**	**–2.5%**	**48.6**	**48.0**
Internal sales	155.1	150.9	–2.7%	48.4	47.6
Total revenue	300.5	292.7	–2.6%	97.0	98.6
EBIT	**8.5**	**9.7**	**13.9%**	**–2.4**	**3.9**
EBIT margin[1]	2.8%	3.3%	–	–	4.1%
Employees[2]	5,266	5,103	–3.1%	–	–

1) Relative to total revenue
2) Periodendurchschnitt, Vollzeitkräfte

External sales by the Branch Network Division for the first nine months of 2007 declined by 2.5%, to EUR 141.8m, compared to the same period of the preceding year. One reason was a drop in sales of prepaid cards for mobile phones in the retail products segment. Financial services revenues also fell, in connection with a shifting of customer deposits in 2006. The new positioning of PSK Bank will be marked by a sales offensive targeting private customers in Q4 2007. This strategy encompasses an expansion of its product and services portfolio designed to increase the bank's business in financial services.

Internal sales also fell in the first three quarters of 2007, which can be attributed to a 2.7% decline in the volume of letters posted compared to the first nine months of 2006.

Nevertheless, despite the lower revenues, the earnings before interest and tax (EBIT) of the Branch Network Division in the first three quarters of 2007 rose to EUR 9.7m, compared to an EBIT of EUR 8.5m in the comparable period of 2006.

Consolidated interim financial statements

Consolidated income statement

EUR m	Q1–Q3 2006	Q1–Q3 2007	Q3 2006	Q3 2007
Revenue	**1,271.1**	**1,667.3**	**409.7**	**550.4**
Other operating income	39.2	52.5	10.7	15.6
Total operating income	1,310.3	1,719.8	420.3	566.0
Raw materials, consumables and services used	–187.4	–491.1	–60.9	–168.3
Staff costs	–789.4	–838.1	–250.0	–268.8
Depreciation, amortisation and impairment losses	–79.7	–72.2	–28.0	–27.0
Other operating expenses	–161.2	–200.5	–54.4	–68.7
Total operating expenses	–1,217.7	–1,601.8	–393.3	–532.7
Profit from operations	**92.6**	**118.0**	**27.0**	**33.3**
Share of profit/loss of associates	1.2	0.4	0.5	0.0
Other financial result	3.3	5.1	2.2	3.6
Total financial result	**4.5**	**5.5**	**2.7**	**3.6**
Profit before tax	**97.0**	**123.4**	**29.7**	**36.9**
Income tax	–26.3	–27.3	–10.6	–8.6
Profit after tax	**70.7**	**96.1**	**19.1**	**28.2**
Profit for the period	**70.7**	**96.1**	**19.1**	**28.2**
Attributable to:				
Equity holders of the parent company	70.7	96.0	19.1	28.3
Minority interests	0.0	0.1	0.0	–0.1
EUR				
Basic earnings per share	1.01	1.37	0.27	0.40
Diluted earnings per share	1.01	1.37	0.27	0.40
EUR m				
Profit from operations	92.6	118.0	27.0	33.3
Share of profit/loss of associates	1.2	0.4	0.5	0.0
Earnings before interest and tax (EBIT)	**93.7**	**118.3**	**27.4**	**33.3**

Consolidated balance sheet

EUR m	Dec. 31, 2006	Sept. 30, 2007
ASSETS		
Non-current assets		
Intangible assets and goodwil	272.7	303.5
Property, plant and equipment	665.3	719.5
Investment property	38.3	36.1
Investments in associates	3.5	3.5
Financial investments in securities	198.6	134.6
Other financial assets	5.9	82.2
Receivables	28.2	14.6
Deferred tax assets	60.3	61.9
	1,272.9	**1,355.8**
Current assets		
Financial investments in securities	0.2	5.2
Other financial assets	0.3	0.2
Inventories	21.0	22.4
Receivables	364.0	347.1
Cash and cash equivalents	229.4	250.9
	614.9	**625.8**
Non-current assets held for sale	**13.8**	**2.4**
	1,901.6	**1,984.1**

EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	350.0	350.0
Capital reserves	274.5	274.5
Revenue reserves	96.4	126.2
Revaluation of securities	−0.1	−2.2
Currency translation reserves	0.9	1.1
Profit for the period	99.8	96.0
	821.4	**845.5**
Minority interests	0.0	0.6
	821.4	**846.2**
Non-current liabilities		
Provisions	425.8	486.5
Financial liabilities	82.0	73.9
Payables	19.7	17.6
Deferred tax liabilities	36.5	40.9
	564.0	**618.9**
Current liabilities		
Provisions	94.4	109.3
Financial liabilities	66.7	99.8
Payables	355.1	309.8
	516.2	**519.0**
	1,901.6	**1,984.1**

Consolidated cash flow statement

EUR m	Q1–Q3 2006	Q1–Q3 2007
Operating activities		
Profit before tax	97.0	123.4
Depreciation, amortisation and impairment losses	79.7	72.2
Write-downs/write-ups of financial assets	–1.3	0.3
Long-term provisions	73.9	56.8
Gain/loss on disposal of non-current assets	–8.2	–9.2
Gain/loss on disposal of financial assets	–0.7	–2.9
Taxes paid	–41.1	–27.1
Net interest received	–5.8	–5.8
Operating cash flow before changes in working capital	**193.5**	**207.8**
Changes in working capital		
Receivables	1.2	71.6
Inventories	0.5	2.0
Payables	–48.0	–78.4
Deferred tax	0.3	–0.7
Short-term provisions	0.2	8.9
Cash flow from changes in working capital	**–45.9**	**3.5**
Cash flow from operating activities	**147.6**	**211.3**
Investing activities		
Purchase of intangible assets	–3.8	–3.2
Purchase of property, plant and equipment	–35.2	–70.8
Acquisition of subsidiaries	–1.6	–56.0
Acquisition of associates	–2.8	0.0
Acquisition of financial investments in securities	0.0	–9.0
Acquisition of other financial assets	–10.3	–76.4
Proceeds from sale of non-current assets	37.6	16.3
Proceeds from sale of financial investments in securities	26.5	68.4
Dividends received from associates	0.2	0.4
Interest received	8.4	10.7
Cash flow from investing activities	**19.0**	**–119.7**
Free cash flow	**166.6**	**91.6**
Financing activities		
Changes in financial liabilities	2.0	4.7
Dividends paid	–40.0	–70.0
Interest paid	–2.6	–4.8
Cash flow from financing activities	**–40.7**	**–70.1**
Net change in cash and cash equivalents	**125.9**	**21.4**
Cash and cash equivalents at January 1	174.5	229.4
Cash and cash equivalents at September 30	**300.4**	**250.9**

Segment reporting

Business segments (divisions) Q1–Q3	Mail		Parcel & Logistics		Branch Network		Other/ Consolidation		Group	
EUR m	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
External sales	958.8	990.4	163.5	531.6	145.4	141.8	3.3	3.6	1,271.1	1,667.3
Internal sales	49.3	35.1	36.3	23.2	155.1	150.9	–240.6	–209.2	0.0	0.0
Total revenue	**1,008.1**	**1,025.5**	**199.8**	**554.8**	**300.5**	**292.7**	**–237.3**	**–205.7**	**1,271.1**	**1,667.3**
Profit/loss from operations	190.2	188.2	15.9	20.9	8.5	9.7	–122.0	–100.8	92.6	118.0
Share of profit/loss of associates	0.6	0.2	0.0	–0.1	0.0	0.0	0.6	0.3	1.2	0.4
EBIT	**190.8**	**188.4**	**15.9**	**20.8**	**8.5**	**9.7**	**–121.5**	**–100.6**	**93.7**	**118.3**
Segment assets	366.9	424.2	68.1	447.9	46.6	48.5	577.4	508.3	1,059.0	1,428.9
Investments in associates	3.6	2.9	0.0	0.0	0.0	0.0	0.7	0.5	4.3	3.5
Segment liabilities	300.0	289.7	34.2	126.7	71.0	80.1	356.0	411.7	761.3	908.2
Segment investments	17.5	87.2	4.0	29.5	3.7	5.0	16.2	28.9	41.4	150.6
Depreciation, amortisation and impairment losses	29.5	23.6	6.1	16.1	8.6	3.7	35.5	28.9	79.7	72.2
thereof: impairment losses	5.6	2.5	1.1	0.0	3.5	0.0	4.5	0.0	14.6	2.5
Other non cash-expenses	–1.4	8.1	–0.6	0.4	–3.7	1.7	79.6	50.6	73.9	60.8
Employees[1]	15,426	15,470	2,271	3,281	5,266	5,103	1,658	1,667	24,621	25,522

1) Average for period, full-time equivalent

Geographical segments Q1–Q3	Austria		Germany		Other countries		Total	
EUR m	2006	2007	2006	2007	2006	2007	2006	2007
External sales	1,241.0	1,236.6	2.6	390.3	27.5	40.4	1,271.1	1,667.3
Segment assets	1,044.1	1,029.6	0.7	361.9	14.2	37.4	1,059.0	1,428.9
Segment investments	40.7	86.2	0.0	46.6	0.7	17.7	41.4	150.6

Business segments (divisions) Q3	Mail		Parcel & Logistics		Branch Network		Other/ Consolidation		Group	
EUR m	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
External sales	308.3	327.0	52.1	174.4	48.6	48.0	0.7	1.0	409.7	550.4
Internal sales	15.3	10.7	12.2	7.3	48.4	47.6	–76.0	–65.5	0.0	0.0
Total revenue	**323.6**	**337.7**	**64.4**	**181.7**	**97.0**	**95.6**	**–75.3**	**–64.5**	**409.7**	**550.4**
Profit/loss from operations	59.1	55.0	6.3	5.9	–2.4	3.9	–36.0	–31.5	27.0	33.3
Share of profit/loss of associates	0.4	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.5	0.0
EBIT	**59.5**	**55.0**	**6.3**	**5.8**	**–2.4**	**3.9**	**–35.9**	**–31.4**	**27.4**	**33.3**

Geographical segments Q3	Austria		Germany		Other countries		Total	
EUR m	2006	2007	2006	2007	2006	2007	2006	2007
External sales	398.3	394.0	1.3	139.4	10.0	17.0	409.7	550.4

Consolidated statement of changes in equity

Q1–Q3 2006 EUR m	Share capital	Capital reserves	Revenue reserves	Revaluation of securities	Currency translation reserves	Profit for the period	Total	Minority interests	Consolidated equity
Balance at January 1, 2006	**10.0**	**614.5**	**36.5**	**0.7**	**0.5**	**99.9**	**762.1**	**0.0**	**762.1**
Changes in consolidation									
Disposals							0.0		0.0
Increase in equity investments							0.0		0.0
Other net gains and losses not recognised in the income statement									
Currency translation differences					–0.1		–0.1		–0.1
Revaluation of securities				–0.1			–0.1		–0.1
Net gains and losses recognised in the income statement									
Changes in revenue reserves			59.9			–59.9	0.0		0.0
Profit for the period						70.7	70.7		70.7
Total recognised gains and losses	**0.0**	**0.0**	**59.9**	**–0.1**	**–0.1**	**10.8**	**70.5**	**0.0**	**70.5**
Dividends						**–40.0**	**–40.0**		**–40.0**
Capital increase from company's own resources	**340.0**	**–340.0**					**0.0**		**0.0**
Balance at September 30, 2006	**350.0**	**274.5**	**96.4**	**0.6**	**0.5**	**70.7**	**792.7**	**0.0**	**792.7**

Q1–Q3 2007 EUR m	Share capital	Capital reserves	Revenue reserves	Revaluation of securities	Currency translation reserves	Profit for the period	Total	Minority interests	Consolidated equity
Balance at January 1, 2007	**350.0**	**274.5**	**96.4**	**–0.1**	**0.9**	**99.8**	**821.4**	**0.0**	**821.4**
Changes in consolidation									
Disposals							0.0		0.0
Increase in equity investments							0.0		0.0
Other net gains and losses not recognised in the income statement									
Currency translation differences					0.2		0.2		0.2
Revaluation of securities				–2.1			–2.1		–2.1
Net gains and losses recognised in the income statement									
Changes in revenue reserves			29.8			–29.8	0.0		0.0
Profit for the period						96.0	96.0	0.6	96.6
Total recognised gains and losses	**0.0**	**0.0**	**29.8**	**–2.1**	**0.2**	**66.2**	**94.1**	**0.6**	**94.8**
Dividends						**–70.0**	**–70.0**		**–70.0**
Capital increase from company's own resources							**0.0**		**0.0**
Balance at September 30, 2007	**350.0**	**274.5**	**126.2**	**–2.2**	**1.1**	**96.0**	**845.5**	**0.6**	**846.2**

Notes

1 Basis of preparation

The consolidated interim financial statements of Austrian Post as at September 30, 2007 have been prepared in accordance with IAS 34 and the binding International Financial Reporting Standards (IFRS) valid as at September 30, 2007, as adopted by the European Union.

The accounting and valuation methods as well as the information and explanations are essentially the same as those applied in the preparation of the consolidated financial statements for the 2006 business year. The exception is the new Interpretation found in IFRIC 10 which has been binding since January 1st. Application of the new accounting and valuation methods has not had any major effect on the consolidated interim financial statements of Austrian Post. The new IFRIC 11 (valid for annual periods beginning on or after March 1, 2007) will not be applied ahead of schedule.

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

For more detailed information on the accounting and valuation methods applied, readers are referred to the consolidated annual financial statements for the year ending December 31, 2006, which are the basis for these interim statements.

2 Consolidation

In the consolidated interim financial statements, apart from the parent company, a total of nineteen domestic subsidiaries (December 31, 2006: sixteen) and forty-two foreign subsidiaries (December 31, 2006: twenty-three), in which the Company directly or indirectly holds a majority of the voting rights, are included in consolidation.
Furthermore, a total of three domestic companies (December 31, 2006: three) and one foreign company (December 31, 2006: one) are consolidated according to the equity method.

Additions arising from acquisitions

With the formal closing of the transaction on July 31, 2007, Austrian Post legally acquired a 100% shareholding in meiller direct GmbH. All in all, a total of nine fully-consolidated companies belong to meiller. The total purchase price for the acquisition of meiller is EUR 54.4m. The company's portfolio of services encompasses the production of documents and mailing, dialogue services as well as the further processing and finishing of dialogue media.

The following assets and liabilities were acquired by Austrian Post as part of the acquisition of meiller:

EUR m	Fair value	Carrying amount before acquisition
Intangible assets	12.9	0.7
Goodwill	11.8	0.0
Property, plant and equipment	38.1	38.1
Deferred tax assets	0.8	0.8
Current assets	45.2	45.2
Non-current provisions and liabilities	–13.1	–13.1
Deferred tax liabilities	–5.8	–2.3
Current provisions and liabilities	–35.5	–35.5
Net acquired assets	**54.4**	**33.8**

3 Contingent liabilities and assets

The contingent assets disclosed in the consolidated financial statements for the year ending December 31, 2006 were unchanged in the first three quarters of 2007. There was no material change in the contingent liabilities as compared to the position as at December 31, 2006.

4 Supplementary information

As at September 30, 2007, there were no material changes in the business relationships with related parties as disclosed in the consolidated financial statements for the year ending December 31, 2006.

5 Events after the end of the interim reporting period

All material events after the end of the interim reporting period, such as pending litigation, claims for damages, other obligations or contingent losses, and for which IAS 10 prescribes adjustments or disclosure, have been recognised to the extent known to the Company.

On October 1, 2007, Austrian Post acquired a 100% shareholding in Van Osselaer Pieters Colli Services B.V.B.A., Belgium and DDS Dedicated Distribution Services B.V., Netherlands. Both are specialist logistics companies for deliveries in B2B (business-to-business) services with a focus on combined freight.

Moreover, with the formal closing of the transaction on October 31, 2007, Austrian Post legally acquired a 100% stake in the Croatian company ST Media s.r.o. ST Media operates in the field of unaddressed advertising mailings in Croatia.

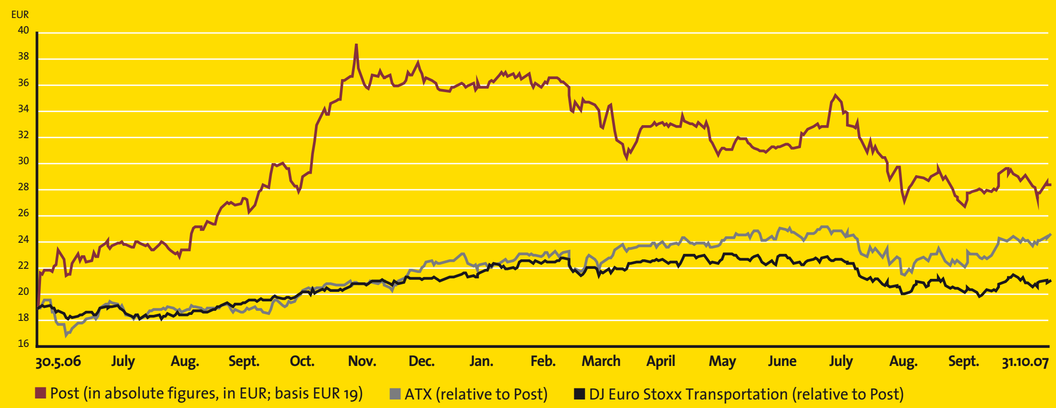
The total purchase price of these three companies amounted to less than EUR 15.0m.

The Post share

Key Austrian Post share indicators

Price September 30, 2007	28.19 EUR
High/low (intraday) Q1–Q3 2007	37.25 EUR/27.00 EUR
Earnings per share Q1–Q3 2007	1.37 EUR
Market capitalisation on September 30, 2007	1,973 EUR m
Dividend per share (paid on May 10, 2007 for the 2006 business year)	1.00 EUR
Free float	49%
ISIN security code number	AT0000APOST4

Development of the Post share



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We have prepared this report and checked the figures in it 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 report contains forward-looking statements based on the information currently available to us. These are usually indicated by expressions such as “expect”, “anticipate”, “estimate” or “plan”. We wish to note that a wide variety of factors could cause actual circumstances – and hence actual results – to diverge from the forecasts contained in this report.

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

This report is also available in German. In case of doubt, the German version prevails.

Editorial deadline: October 31, 2007

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* The Management Board of Austrian Post will propose a dividend for 2007 of EUR 1.40 per share to the Annual General Meeting in April 2008.
Our dividend policy: a dividend payout ratio of at least 70%, assuming the company's ongoing positive business development and sound financial performance.