IF IT REALLY COUNTS,
RELY ON AUSTRIAN POST.

Post

HALF-YEAR FINANCIAL REPORT 2010

AUSTRIAN POST

HIGHLIGHTS H1 2010

- **Q2: Good second quarter leads to stable half-year**
  – **Revenue** up 0.7% – **EBIT** up 5.8%
- **H1: Half-year 2010 development confirms forecasted trends**
  – **Decline in the Mail Division** of minus 0.9% to EUR 682.1m due to electronic substitution
  – **Growth in the Parcel & Logistics Division** of 4.3% to EUR 387.0m
  – **Group revenue and EBIT** at the previous year's level
- **Improved domestic and international cost structure**
  – **Cost reduction measures have a positive impact**
  – **Turnaround at subsidiaries begins to take hold**
- **Cash flow reflects efficient use of financial resources and good development**
  – **Operating cash flow before changes in working capital and tax** up 14.8% to EUR 115.3m
  – **Free cash flow before the acquisition/disposal of securities improves** by 31.3% to EUR 46.3m
- **Outlook for 2010 remains unchanged**
  – **Revenue** 1% to 2% below 2009 – **EBITDA-margin** between 10% and 12%

OVERVIEW OF KEY INDICATORS

INCOME STATEMENT **EUR m**	**H1 2009**	**H1 2010**	**Change** **2009/2010**
Revenue	1,156.0	1,150.1	–0.5%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	126.5	124.8	–1.4%
EBITDA margin	10.9%	10.8%	–
Earnings before interest and tax (EBIT)	75.4	74.5	–1.1%
EBIT margin	6.5%	6.5%	–
Earnings before tax (EBT)	75.2	70.6	–6.2%
Profit for the period	56.2	54.1	–3.8%
Earnings per share (EUR)	0.83	0.80	–3.8%
Employees (average for period, full–time equivalents)	25,900	24,961	–3.6%
CASH FLOW			
Operating cash flow before changes in working capital	82.7	80.7	–2.4%
Cash flow from operating activities	58.9	58.8	–0.1%
Investment in property, plant and equipment	37.6	14.9	–60.3%
Investment in Group holdings	3.2	1.1	–64.1%
Free cash flow	10.5	51.3	–
Free cash flow before the acquisition/disposal of securities	35.3	46.3	+31.3%
BALANCE SHEET	**Dec. 31, 2009**	**June 30, 2010**	
Total assets	1,775.3	1,648.3	-5.1%
Capital and reserves	673.7	627.6	-6.9%
Non-current assets	1,141.3	1,110.8	-2.7%
Current assets	634.0	573.5	-9.6%
Net debt	231.2	290.3	+25.6%
Equity ratio	38.0%	37.3%	-
Capital employed	861.7	875.0	+1.5%

STATEMENT BY THE MANAGEMENT BOARD

Ladies and Gentlemen!
Dear shareholders!

The business development of Austrian Post in the first half of 2010 proceeded very satisfactorily. Second quarter revenue rose by 0.7%, and earnings even improved by 5.8%. As a consequence, half-year 2010 revenue and EBIT came close to matching the prior-year level. Total Group revenue in the first six months of 2010 amounted to EUR 1,150.1m, a drop of 0.5%, whereas EBIT was EUR 74.5m, a decline of 1.1%.

Intensive customer acquisition efforts coupled with innovative ideas and the positive one-off effects in 2010 contributed to keeping the volume decline in the Mail Division as low as possible. However, the trends towards the electronic substitution of letters and the customers' reduction of shipment weights are continuing.

The development of the Parcel & Logistics Division shows an ongoing improvement in transport volumes, as reflected in the revenue increase of 4.3%. Growth in the core business was even higher in the light of the fact that unprofitable transport logistics operations were terminated in Germany at the end of last year.

The revenue and organisational structure of the Branch Network Division is undergoing constant change. Measures designed to reduce costs could not compensate for the revenue decrease, due to the fact that the business with financial services and retail products also dropped, and internal postal services provided by the branch network are also continually declining. For this reason, Austrian Post will continue its strategy of converting unprofitable company-operated branches into postal partner offices.

In order to counteract the structural changes in the postal business, Austrian Post will continue to take all the measures it considers necessary to enhance the efficiency and productivity of the company. Notable successes in adjusting operating costs and direct personnel expenditures to current requirements could already be achieved in the first half of 2010. The measures Austrian Post are persistently implementing within the context of its strategic programme Post@2011 are designed to exploit revenue growth opportunities as well as to realize potential cost savings. The underlying goal is to maintain the ongoing profitability of the Company.

Cash flow could be improved in the first half of 2010, reflecting the efficient use of the available financial resources. Based on this development, we continue to expect a revenue decline between 1% and 2% below the comparable performance for 2009, and an EBITDA margin of between 10% and 12%.

Georg Pölzl
Chairman of the Management Board

Rudolf Jettmar
Deputy Chairman of the Management Board

Dr. Herbert Götz
Member of the Management Board

Walter Hitziger
Member of the Management Board

Carl-Gerold Mende
Member of the Management Board

BUSINESS DEVELOPMENT IN THE FIRST HALF OF 2010

Economic and market environment

Following a strong GDP decline of 3.5% in 2009, the economic situation in Austria stabilised in the first half of 2010 as a result of merchandise exports. The Austrian economy benefitted from a favourable overall economic environment, and is expected to expand by 1.2% in 2010 according to the latest forecast made by the Austrian Institute of Economic Research (WIFO). This represents an upward revision from the earlier figure of 0.1% growth announced in March. The inflation rate in 2010 is expected to reach a level of 1.8% (WIFO), driven by the increase in crude oil import prices.

The German economy is anticipated to expand at a rate of 1.4%. Economic growth forecasts for countries in South East and Eastern Europe vary considerably: Slovakia +4.1%, Hungary –0.2%, Croatia +0.2%, Serbia +2.0%, Bosnia-Herzegovina +0.5% (International Monetary Fund).

Letter mail and parcel volumes are also partially linked to overall market developments and consumer behaviour. Another fundamental trend is the electronic substitution of letters, which is continuing uninterruptedly and causes an ongoing volume decline for all postal service providers.

The total volume of direct mail items depends on advertising expenditures of companies. According to the quarterly forecast published by ZenithOptimedia, investments in advertising are expected to climb more sharply than originally expected. Advertising expenditures are forecast to grow by 2.2% in 2010.

The parcel and logistics market is showing an upward trend in transport volumes, driven by growing international trade and the general increase in Internet sales.

Changes in the consolidation scope

In the first half of 2010, the consolidation scope was expanded to include two companies in the Mail Division, feibra West GmbH (Austria) and Post d.o.o. za usluge (Croatia), as well as LogIn Service d.o.o. (Bosnia-Herzegovina) in the Parcel & Logistics Division. All three companies were established by Austrian Post. ThermoMed Life Sciences GmbH & Co KG was integrated into trans-o-flex ThermoMed GmbH & Co KG. Eurodis GmbH, which was fully consolidated in the past, is now consolidated at equity effective July 1, 2010. Eurodis coordinates the European-wide shipment of parcels between partner companies and the Austrian Post Group.

Business development – earnings

The revenue development of Austrian Post in the first half-year 2010 confirmed the forecasted trends. Whereas the Mail Division posted a decline, the Parcel & Logistics Division reported continuing growth. On balance, the second quarter proceeded extremely satisfactorily, reflected by a 0.7% revenue increase. In the first half of 2010, total revenue of Austrian Post was down by only 0.5% from the previous year to EUR 1,150.1m.

During the first six months of 2010, revenue of the Mail Division only decreased by 0.9% in a year-on-year comparison. This can be attributed to the gains achieved by the Infomail and Media Post Business Areas. The main trends negatively affecting the Mail Division continued, i.e. the electronic substitution of letters, the declining business with high value mail items and the reduced weight of the mail being posted. However, intensive efforts to attract customers and innovative ideas limited the revenue decrease. Similarly, one-off effects and an additional working day in the second quarter in comparison to 2009 positively impacted the performance of the Mail Division.

The Parcel & Logistics Division featured an ongoing rise in business volume. Although the price situation remained tense, the division profited from good volume development as well as an increase in new customers. Despite the termination of unprofitable transport logistics operations in Germany, revenue in the first half of 2010 rose 4.3% in a year-on-year comparison, and even climbed 6.0% in the second quarter compared to the prior-year level.

The revenue and organisational structure of the Branch Network Division is undergoing change. External sales decreased by EUR 15.2m, whereas total costs were reduced by EUR 19.1m. The changed reporting of revenue derived from sales of prepaid phone cards based on the new Austrian VAT regulations also contributed EUR 5.3m to the revenue decline. Internal sales were down by EUR 7.3m due to the increasing direct collection of letters and parcels from large customers.

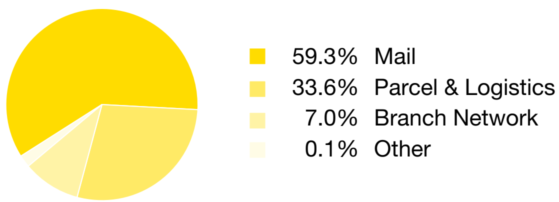
Revenue by division[1]

EUR m	H1 2009	H1 2010	Change %	Change EUR m	Q2 2009	Q2 2010
Total revenue	**1,156.0**	**1,150.1**	**–0.5%**	**–5.8**	**560.8**	**564.5**
Mail	688.4	682.1	–0.9%	–6.3	335.4	333.9
Parcel & Logistics	371.1	387.0	+4.3%	+15.9	180.2	191.1
Branch Network	95.2	80.0	–16.0%	–15.2	44.5	39.1
Other	2.1	2.6	+20.3%	+0.4	0.4	1.2
Consolidation	–0.9	–1.5	–71.3%	–0.6	0.2	–0.8
Working days in Austria[2]	122	123	–	–	60	61

[1] External sales of the division
[2] Calendar working days

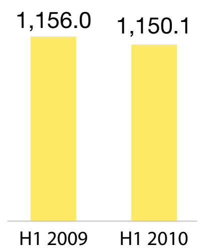
Revenue by division

in %



Revenue

EUR m



Income statement

EUR m	H1 2009	H1 2010	Change %	Change EUR m	Q2 2009	Q2 2010
Revenue	**1,156.0**	**1,150.1**	**–0.5%**	**–5.8**	**560.8**	**564.5**
Other operating income	36.0	34.5	–4.1%	–1.5	19.4	16.9
Raw materials, consumables and services used	–368.1	–360.5	–2.1%	–7.6	–181.6	–179.3
Staff costs	–560.9	–562.1	+0.2%	+1.1	–271.0	274.3
Other operating expenses	–141.2	–137.7	–2.5%	–3.5	–73.5	–71.6
Share of profit/loss of associates	4.8	0.4	–	–4.4	0.2	0.2
EBITDA (Earnings before interest, tax, depreciation and amortisation)	**126.5**	**124.8**	**-1.4%**	**-1.8**	**54.3**	**56.4**
Depreciation, amortisation and impairment losses	–51.2	–50.3	–1.8%	–0.9	–26.7	–27.2
EBIT (Earnings before interest and tax)	**75.4**	**74.5**	**–1.1%**	**–0.9**	**27.6**	**29.2**
Other financial result	–0.1	–4.0	–	–3.8	–0.8	–2.0
EBT (Earnings before tax)	**75.2**	**70.6**	**–6.2%**	**–4.7**	**26.8**	**27.2**
Income tax	–19.1	–16.5	–13.5%	–2.6	–4.3	–6.6
Profit after tax = Profit for the period	**56.2**	**54.1**	**–3.8%**	**–2.1**	**22.5**	**20.6**
Earnings per share (EUR)	0.83	0.80	–3.8%	–0.03	0.33	0.31

Top management priorities at Austrian Post are to counteract the revenue decline related to reduced letter mail volume and also increase productivity and efficiency.

Staff costs comprise the largest operating expense item of Austrian Post at EUR 562.1m, accounting for close to 50% of total revenue. In addition to direct personnel expenditures for salaries and wages, staff costs also encompass changes in staff-related provisions along with restructuring costs in line with the voluntary social plan for employees leaving the company.

Direct personnel expenditures could be reduced by about EUR 15m compared to the first half of 2009. On average, the total workforce decreased by 939 employees in a year-on-year comparison, to 24,961 people. Costs related to employee social plan payments such as termination benefits and staff-related provisions amounted to approximately EUR 18m.

Savings in operating costs were realised in the cost of raw materials, consumables and services used as well as other operating expenses. On balance, these net cost reductions in the first six months of 2010 totalled EUR 11.1m compared to the preceding year. The changed reporting of prepaid phone cards in the financial statements of Austrian Post resulted in a reduction of EUR 5.3m. Further savings were achieved with energy, fuel and heating costs.

Other operating income declined slightly to EUR 34.5m during the period under review, including income from rents and leases of EUR 12.0m.

EBITDA by division

EUR m	H1 2009	H1 2010	Change %	Change EUR m	Q2 2009	Q2 2010
Total EBITDA	**126.5**	**124.8**	**–1.4%**	**–1.8**	**54.3**	**56.4**
Mail[1]	132.9	138.3	+4.1%	+5.4	61.7	65.2
Parcel & Logistics[1]	9.5	18.3	+92.0%	+8.7	2.4	8.2
Branch Network[1]	–1.1	–5.9	–	–4.9	–2.6	–6.1
Other[1]	–9.7	–20.6	–112.3%	–10.9	–3.4	–7.8
Employee social plan payments	–5.1	–5.3	+2.4%	+0.1	–3.7	–3.1

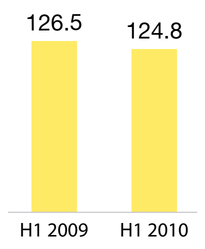
[1] Excluding payments related to the social plan for employees (changed reporting since 2010)

Earnings before interest, tax, depreciation and amortisation (EBITDA) of Austrian Post amounted to EUR 124.8m in the first half of the 2010 financial year, a drop of 1.4% from the preceding year. Accordingly, the EBITDA margin was 10.9%.

In the same period, depreciation, amortization and impairment losses of Austrian Post decreased slightly to EUR 50.3m.

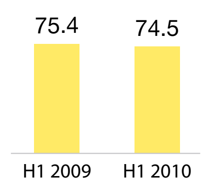
EBITDA

EUR m



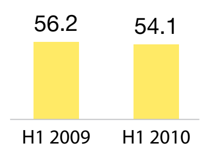
EBIT

EUR m



Profit for the period

EUR m



EBIT by division

EUR m	H1 2009	H1 2010	Change %	Change EUR m	Q2 2009	Q2 2010
Total EBIT	**75.4**	**74.5**	**–1.1%**	**–0.9**	**27.6**	**29.2**
Mail[1]	114.5	119.6	+4.1%	+5.1	51.4	54.3
Parcel & Logistics[1]	–3.4	6.2	–	+9.6	–4.1	2.1
Branch Network[1]	–4.0	–8.7	–	–4.8	–4.1	–7.6
Other[1]	–26.7	–37.3	–39.6%	–10.6	–11.9	–16.5
Employee social plan payments	–5.1	–5.3	+2.4%	+0.1	–3.7	–3.1

[1] Excluding payments related to the social plan for employees (changed reporting since 2010)

In the first half-year 2010, earnings before interest and tax (EBIT) of Austrian Post only declined by 1.1%, or EUR 0.9m, to EUR 74.5m, which is related to the fact that the revenue drop could be largely compensated by cost savings. EBIT only decreased in the first quarter of 2010, whereas it actually rose by 5.8% in the second quarter compared to the prior-year level.

In comparing earnings indicators, it is important to note that the previous year's performance was positively affected by proceeds of EUR 4.4m derived from the sale of a 49.8% stake in Mader Zeitschriftenverlags GmbH.

There was a change in the reporting of termination benefits relating to the voluntary social plan for employees. Since the beginning of 2010, these expenses have been assigned to the particular division in which they arise, whereas termination benefits had been previously recognised in the Other segment. On balance, employee social plan payments totalled EUR 5.3m, of which the largest share or EUR 2.9m was allocated to the Branch Network Division. Division earnings excluding employee social plan payments changed as follows:

The Mail Division generated an EBIT increase of EUR 5.1m to EUR 119.6m in the first half-year 2010. EBIT of the Parcel & Logistics Division rose by EUR 9.6m to EUR 6.2m, whereas EBIT at the Branch Network Division declined by EUR 4.8m to minus EUR 8.7m.

EBIT of the Other segment excluding social plan payments fell from minus EUR 26.7m to minus EUR 37.3m. This encompasses, amongst other items, non-allocated costs for central departments, expenses in connection with unused properties as well as the change in staff-related provisions. The provisions allocated for employees who accepted the voluntary social plan putting them on temporary leave until they reach retirement rose by EUR 7m. All in all, the provision for employee under-utilisation and the provision for employees transferring to the Austrian federal government remained constant for the most part.

The other financial result of Austrian Post declined from minus EUR 0.1m to minus EUR 4.0m in the first half-year 2010, which is related, amongst other factors, to lower interest rates.

Earnings before tax fell by EUR 4.7m to EUR 70.6m. After deducting income taxes totalling EUR 16.5m, the Group net profit (profit after tax for the period) amounted to EUR 54.1m, corresponding to earnings of EUR 0.80 per share for the first half of the 2010 financial year, compared to EUR 0.83 per share in the first half of 2009.

Assets and finances

Balance sheet structure by terms

EUR m	Dec. 31, 2009	June 30, 2010	Structure June 30, 2010
Assets			
Non-current assets	1,141.3	1,110.8	66.0%
thereof other financial assets and financial investments in securities	97.9	93.8	5.6%
Current assets	634.0	573.5	34.0%
thereof cash and cash equivalents	293.8	243.4	14.5%
	1,775.3	**1,684.3**	**100.0%**
Equity and liabilities			
Capital and reserves	673.7	627.6	37.3%
Non-current liabilities	514.0	508.3	30.2%
thereof provisions	453.4	450.1	26.7%
Current liabilities	587.6	548.4	32.6%
thereof provisions	150.9	126.1	7.5%
	1,775.3	**1,684.3**	**100.0%**

Austrian Post takes a risk-adverse business approach. This is demonstrated by its 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 66.0% of the total assets of EUR 1,684.3m, or EUR 1,110.8m. The most important non-current asset items are property, plant and equipment at EUR 665.2m, as well as financial investments in securities and other financial investments totalling EUR 93.8m. The principal current asset items totalling EUR 306.5m are cash and cash equivalents at EUR 243.4m.

On the equity and liabilities side, the balance sheet total is comprised of capital and reserves (37.3%), non-current liabilities (30.2%) and current liabilities (32.6%). Non-current liabilities of EUR 508.3m largely consist of provisions totalling EUR 450.1m, of which the provisions for employee under-utilisation amounting to EUR 284.6m in the first half of 2010 included provisions of EUR 41.4m for employees transferring to the Austrian federal government. Current liabilities amounting to EUR 548.4m primarily consist of provisions and trade payables.

All in all, the analysis of the balance sheet of Austrian Post shows a considerable level of current and non-current financial resources. Austrian Post had cash and cash equivalents of EUR 243.4m as at June 30, 2010, and financial investments in securities amounting to EUR 52.6m. Accordingly, the financial resources at the disposal of Austrian Post in the first half of 2010 totalled EUR 296.0m at the end of June 2010. As opposed to the total financial resources of Austrian Post, financial liabilities only amount to EUR 128.4m.

Cash flow

EUR m	H1 2009	H1 2010
Operating cash flow before changes in working capital	**82.7**	**80.7**
± Cash flow from changes in working capital	–23.8	–21.9
Cash flow from operating activities	**58.9**	**58.8**
± Cash flow from investing activities	–48.3	–7.5
thereof sale/disposal of securities	–24.7	5.0
Free cash flow	**10.5**	**51.3**
Free cash flow before the acquisition/disposal of securities	**35.3**	**46.3**

Operating cash flow before changes in working capital amounted to EUR 80.7m in the first half of 2010. This decline of EUR 2.0m is primarily due to different income tax payments in the half-year comparison. The operating cash flow before changes in working capital and taxes was EUR 115.3m, a rise of 14.8% from the previous year's level.

The cash flow from changes in working capital amounted to minus EUR 21.9m in the first half of 2010, primarily as the result of a lower level of liabilities. On balance, the cash flow from operating activities in the first half-year 2010 totalled EUR 58.8m, compared to EUR 58.9m in the comparable period of 2009.

The cash flow from investing activities at minus EUR 7.5m includes the purchase of property, plant and equipment (CAPEX) amounting to EUR 14.9m, and proceeds from the disposal of property, plant and equipment of EUR 5.8m.

The free cash flow was EUR 51.3m. The improved operating performance is reflected in the free cash flow before the acquisition or disposal of securities, which climbed by 31.3% to EUR 46.3m, a rise of EUR 11.0m above the previous year's level.

Capital expenditure

During the first half of 2010, capital expenditure at Austrian Post reached a level of EUR 14.9m. The investments were primarily for technical plant and machinery, office equipment, fixtures and fittings, as well as prepayments in the Group subsidiaries trans-o-flex, ThermoMed, meiller and SPS. Capital expenditure in Austria mainly related to construction measures as well as the purchase of various means of transport (motorcycles, mopeds and bicycles).

Employees

During the period under review, the average number of full-time employees at Austrian Post fell by 3.6%, or 939 people, to 24,961. This decline can be primarily attributed to the lower number of employees working for the Mail and Branch Network Divisions and in the Other segment.

Most of Austrian Post‘s labour force (20,720 full-time equivalent employees) is employed by the parent company, Österreichische Post AG. More than 4,000 employees are employed by subsidiaries.

Employees by division[1]

	H1 2009	H1 2010	Structure
Mail	15,139	14,745	59.1%
Parcel & Logistics	3,946	4,004	16.0%
Branch Network	4,749	4,363	17.5%
Other	2,066	1,848	7.4%
Total	**25,900**	**24,961**	**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 operational risks in carrying out its business operations. Austrian Post responsibly deals with these risks. The focus on its core business activities, along with decades of experience in the business, have enabled Austrian Post to identify risks at an early stage, evaluate them and quickly take suitable precautionary measures.

The main risks and uncertainties which Austrian Post faces, such as the structure of employment contracts, technical, regulatory and legal risks, financial as well as market and competitive risks as well as information on the internal controlling system and risk management with regard to the accounting process are described in detail in the Annual Report 2009 of Austrian Post (pages 83-89 and 138-141).

On the basis of the defined risks, there are also uncertainties for the remaining six months of the current financial year. Projected mail volumes in the Mail Division and in the Parcel & Logistics Division are subject to seasonal fluctuations and depend on the economic development of the respective customer segments. Unfavourable economic conditions faced by customers of Austrian Post have negative effects on the development of letter mail and parcel volumes. Furthermore, a dampened economic environment can also have an impact on the Group's competitive position and thus the attainable prices for postal services. Moreover, conventional letter mail is being increasingly replaced by e-mail or other electronic media. The trend towards the electronic substitution of letters and particularly towards the electronic delivery of mail items is being accelerated by the current economic crisis and will continue in the future. The upcoming change in VAT regulations for postal services could have a negative effect on Austrian Post's revenue development.

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

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

Outlook 2010

Current trends in the letter mail and parcels businesses confirm the forecasted development. Austrian Post continues to predict a Group revenue decrease of between 1% and 2% in 2010 compared to 2009.

Revenue in the Mail Division will further decline, primarily as a result of electronic substitution and the lower weight of mail items being posted. The Parcel & Logistics Division showed an ongoing improvement in revenue from the parcels business. This situation is expected to continue during the course of the year in line with current economic forecasts.

A series of measures have been implemented in order to exploit potential cost savings. Austrian Post aims to achieve a sustainable EBITDA margin of 10-12% annually, in 2010 as well as in subsequent years.

With regard to the expected financing requirements for 2010, Austrian Post anticipates total capital expenditure to reach a level of about EUR 65m. The priority in Austrian Post's international business will be to further integrate and expand existing networks, and to improve the operating results of its subsidiaries, which are expected to generate a sustained earnings contribution in 2010.

Significant events after the interim reporting period

Effective July 1, 2010, the Austrian Post Group increased its stake in EBPP Electronic Bill Presentment and Payment GmbH from the previous level of 40% to 100%. Founded in 2003, EBPP is a leading company in the field of electronic invoicing.

PERFORMANCE OF DIVISIONS

Mail Division

EUR m	H1 2009	H1 2010	Change %	Change EUR m	Q2 2009	Q2 2010
External sales	**688.4**	**682.1**	**–0.9%**	**–6.3**	**335.4**	**333.9**
Letter Mail	370.8	360.4	–2.8%	–10.3	177.3	173.7
Infomail	250.7	254.5	+1.5%	+3.8	124.6	126.7
Media Post	66.9	67.2	+0.4%	+0.3	33.6	33.6
Internal sales	22.2	25.9	+16.6%	+3.7	11.2	12.8
Total revenue	710.6	708.0	–0.4%	–2.6	346.7	346.7
EBITDA excl. social plan	**132.9**	**138.3**	**+4.1%**	**+5.4**	**61.7**	**65.2**
Depreciation, amortisation and impairment losses	–18.4	–18.7	–1.9%	–0.3	–10.2	–10.9
EBIT excl. social plan	**114.5**	**119.6**	**+4.5%**	**+5.1**	**51.4**	**54.3**
Termination payment, social plan	0.0	–1.4	–	–1.4	0.0	–0.9
EBITDA margin[1]	18.7%	19.5%	–	–	17.8%	18.8%
EBIT margin[1]	16.1%	16.9%	–	–	14.8%	15.7%
EBIT incl. social plan	114.5	118.3	+3.3%	+3.7	51.4	53.4
Employees[2]	15,139	14,745	–2.6%	–393	–	–

[1] Earnings excluding payments for the employee social plan in relation to total revenue
[2] Average for the period, full-time equivalents

External sales of the Mail Division only fell by 0.9% in the first half of 2010 from the comparable period of 2009, to EUR 682.1m. The second quarter decrease was only 0.4%.

Revenue generated by the Letter Mail Business Area declined and were down by 2.8% or EUR 10.3m from the prior-year period. The trend towards the substitution of letters by electronic media is continuing, for example in the customer segments of financial services and telecommunications. A decline was also evident in other areas as well as in the public sector, which cut back on the number of registered letters it posted. In contrast, elections and the related possibility of casting absentee ballots as well as one additional working day compared to the preceding year had positive one-off effects in the first half-year 2010.

In the first half of 2010, the revenue achieved by the Infomail Business Area (addressed and unaddressed direct mail items) rose by 1.5% or EUR 3.8m compared to the prior-year level. The Infomail Business Area was characterised by a positive volume development along with lower average weights of mail items. Efforts to acquire new customers were successful, and could thus compensate for the loss of the large customer Quelle.

Revenue of the Media Post Business Area increased by 0.4% or EUR 0.3m due to the growing business volume generated by company magazines.

On balance, the Mail Division posted an EBIT excluding employee social plan payments of EUR 119.6m, a rise of 4.5%, or EUR 5.1m from the comparable period of the previous year. This earnings improvement is primarily related to efficiency increases. Both operating expenses and staff costs could be reduced.

Parcel & Logistics Division

EUR m	H1 2009	H1 2010	Change %	Change EUR m	Q2 2009	Q2 2010
External sales	**371.1**	**387.0**	**+4.3%**	**+15.9**	**180.2**	**191.1**
Internal sales	12.1	11.5	–4.9%	–0.6	5.7	5.5
Total revenue	383.2	398.5	+4.0%	+15.3	185.9	196.6
EBITDA excl. social plan	**9.5**	**18.3**	**+92.0%**	**+8.7**	**2.4**	**8.0**
Depreciation, amortisation and impairment losses	–12.9	–12.1	–6.5%	–0.8	–6.4	–6.1
EBIT excl. social plan	**–3.4**	**6.2**	**–**	**+9.6**	**–4.1**	**2.1**
Termination payment, social plan	0.0	–0.1	–	–	0.0	–0.1
EBITDA margin[1]	2.5%	4.6%	–	–	1.3%	4.2%
EBIT margin[1]	–0.9%	1.6%	–	–	–2.2%	1.1%
EBIT incl. social plan	–3.4	6.1	–	+9.5	–4.1	2.0
Employees[2]	3,946	4,004	+1.5%	+58	–	–

[1] Earnings excluding payments for the employee social plan in relation to total revenue
[2] Average for the period, full–time equivalents

In the first half of 2010, external sales of the Parcel & Logistics Division climbed by 4.3%, to EUR 387.0m as a consequence of the good volume development in all regions. The parcel and logistics market showed an overall trend towards volume growth in the first six months of 2010, although price pressure continued.

The premium parcel product segment (parcel delivery within 24 hours) generated total revenue of EUR 303.9m in the first half-year. The revenue decline of 0.3% is primarily due to the termination of loss-making transport logistics operations in Germany. Adjusted revenue in this German product segment actually rose by about 8% year-on-year, which is mainly related to new customer acquisition. The subsidiary trans-o-flex in Germany accounts for approximately three quarters of premium parcel revenue. The volume of business parcels in South East and Eastern Europe also developed very positively.

Revenue of the standard parcels segment in Austria developed more gratifyingly, rising by close to 30%, to EUR 78.1m. The main reasons for this positive development were organic growth, the increased mail order business since June 2009 as well as parcel volumes shifted from the premium to the standard segment.

There was a turnaround in the performance of the Parcel & Logistics Division. In the first half of 2010, EBIT rose to EUR 6.2m compared to the negative results of minus EUR 3.4m in the first half-year 2009.

Branch Network Division

EUR m	H1 2009	H1 2010	Change %	Change EUR m	Q2 2009	Q2 2010
External sales	**95.2**	**80.0[3]**	**–16.0%**	**–15.2**	**44.5**	**39.1**
Internal sales	92.8	85.5	–7.9%	–7.3	45.4	41.9
Total revenue	188.1	165.5[3]	–12.0%	–22.6	89.9	81.0
EBITDA excl. social plan	**–1.1**	**–5.9**	**–**	**–4.9**	**–2.6**	**–6.1**
Depreciation, amortisation and impairment losses	–2.9	–2.8	–3.4%	–0.1	–1.5	–1.5
EBIT excl. social plan	**–4.0**	**–8.7**	**–**	**–4.8**	**–4.1**	**–7.6**
Termination payment, social plan	0.0	–2.9	–	–2.9	0.0	–2.0
EBITDA margin[1]	–0.6%	–3.6%	–	–	–2.9%	–7.5%
EBIT margin[1]	–2.1%	–5.3%	–	–	–4.6%	–9.3%
EBIT incl. social plan	–4.0	–11.6	–	–7.6	–4.1	–9.5
Employees[2]	4,749	4,363	–8.1%	–387	–	–

[1] Earnings excluding payments for the employee social plan in relation to total revenue
[2] Average for the period, full-time equivalents
[3] Decline includes EUR 5.3m relating to the changed reporting of revenue from prepaid phone cards starting in 2010

The organisation of the branch network is undergoing change, which impacts sales as well as the cost structure. External sales of the Branch Network Division fell by EUR 15.2m in the first six months of 2010, whereas total costs were reduced by EUR 19.1m.

Part of the revenue decline, or EUR 5.3m, is related to the changed reporting of revenue from prepaid calling cards as the result of new Austrian VAT regulations. During the 2009 financial year, the nominal value of prepaid calling cards was still recognised as revenue, whereas the related costs of the goods sold were reported as raw materials, consumables and services used. Since January 1, 2010, only the commission derived from prepaid calling card sales is recognised. Moreover, sales of retail products declined in the first half-year 2010. In particular, telecommunications products in the field of mobile telephony are subject to increasing market saturation. Financial services and the related commissions earned also showed a downward trend, which is attributable to reduced margins and the current low interest rate environment.

Internal sales with postal services also further decreased, and fell by 7.9%. There has been a fundamental reduction in the volume of letters and parcels posted and subsequently transported by the branch network. Moreover, letters are increasingly being picked up directly from customers prior to market liberalisation.

The service and cost structure of the branch network is being continually improved as a result of the structural change taking place in the Branch Network Division. Unprofitable company-operated branches in Austria are being converted by Austrian Post into partner-operated postal service points.

Austrian Post had a total of 1,807 postal service points at the end of June 2010, including 756 operated by external partners. The conversion of additional company-operated branches to postal partner offices is in preparation.

EBIT of the Branch Network Division excluding termination benefit payments made in line with the agreed upon employee social plan amounted to minus EUR 8.7m in the first half of 2010, down from minus EUR 4.0m in the comparable period of 2009. The workforce of the Branch Network Division was reduced by 387 employees compared to the prior-year period. Employee social plan payments amounted to EUR 2.9m.

Vienna, August 2, 2010

The Management Board

Georg Pölzl m.p.
Chairman of the Management Board

Rudolf Jettmar m.p.
Deputy Chairman of the Management Board

Herbert Götz m.p.
Member of the Management Board

Walter Hitziger m.p.
Member of the Management Board

Carl-Gerold Mende m.p.
Member of the Management Board

IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated income statement

EUR m	H1 2009	H1 2010	Q2 2009	Q2 2010
Revenue	1,156.0	1,150.1	560.8	564.5
Other operating income	36.0	34.5	19.4	16.9
Total operating income	1,192.0	1,184.7	580.2	581.3
Raw materials, consumables and services used	–368.1	–360.5	–181.6	–179.3
Staff costs	–560.9	–562.1	–271.0	–274.3
Depreciation, amortisation and impairment losses	–51.2	–50.3	–26.7	–27.2
Other operating expenses	–141.2	–137.7	–73.5	–71.6
Total operating expenses	–1,121.4	–1,110.6	–552.8	–552.4
Profit from operations	**70.6**	**74.1**	**27.4**	**29.0**
Share of profit/loss of associates	4.8	0.4	0.2	0.2
Other financial result	–0.1	–4.0	–0.8	–2.0
Total financial result	**4.7**	**–3.6**	**–0.6**	**–1.8**
Profit before tax	**75.2**	**70.6**	**26.8**	**27.2**
Income tax	–19.1	–16.5	–4.3	–6.6
Profit for the period	**56.2**	**54.1**	**22.5**	**20.6**
Attributable to equity holders of the parent company	56.2	54.1	22.5	20.6
EUR				
Basic earnings per share	**0.83**	**0.80**	**0.33**	**0.31**
Diluted earnings per share	**0.83**	**0.80**	**0.33**	**0.31**
EUR m				
Profit from operations	70.6	74.1	27.4	29.0
Share of profit/loss of associates	4.8	0.4	0.2	0.2
Earnings before interest and tax (EBIT)	**75.4**	**74.5**	**27.6**	**29.2**

Statement of comprehensive income

EUR m	H1 2009	H1 2010	Q2 2009	Q2 2010
Profit for the period	**56.2**	**54.1**	**22.5**	**20.6**
Currency translation differences	–0.3	–0.2	0.9	–0.3
Revaluation of financial instruments held for sale	0.8	0.9	3.1	–0.1
Deferred taxes	–0.2	–0.2	–0.8	0.0
Revaluation of financial instruments hedging	3.6	0.4	3.4	–0.2
Deferred taxes	–0.9	–0.1	–0.9	0.0
Other comprehensive income	**3.0**	**0.8**	**5.8**	**–0.5**
Total comprehensive income	**59.2**	**54.9**	**28.2**	**20.1**
Attributable to equity holders of the parent company	59.2	54.9	28.2	20.1

Consolidated balance sheet

EUR m	Dec. 31, 2009	June 30, 2010
Assets		
Non-current assets		
Goodwill	181.8	183.4
Intangible assets	66.7	67.0
Property, plant and equipment	695.7	665.2
Investment property	37.0	37.0
Investments in associates	8.3	8.6
Financial investments in securities	56.5	52.4
Other financial assets	41.4	41.4
Receivables	10.5	12.8
Deferred tax assets	43.2	42.9
	1,141.3	**1,110.8**
Current assets		
Financial investments in securities	0.2	0.2
Inventories	22.3	23.4
Receivables	317.7	306.5
Cash and cash equivalents	293.8	243.4
	634.0	**573.5**
	1,775.3	**1,684.3**
Equity and liabilities		
Capital and reserves		
Share capital	337.8	337.8
Capital reserves	130.5	130.5
Revenue reserves	128.2	106.8
Revaluation of financial instruments	–2.6	–1.6
Currency translation reserves	0.2	0.0
Profit for the period	79.7	54.1
	673.7	**627.6**
Non-current liabilities		
Provisions	453.4	450.1
Financial liabilities	32.3	28.1
Payables	12.8	15.6
Deferred tax liabilities	15.4	14.6
	514.0	**508.3**
Current liabilities		
Provisions	117.0	100.9
Tax provisions	33.9	25.2
Financial liabilities	94.5	100.3
Payables	342.1	322.0
	587.6	**548.4**
	1,775.3	**1,684.3**

Consolidated cash flow statement

EUR m	H1 2009	H1 2010
Operating activities		
Profit before tax	75.2	70.6
Depreciation, amortisation and impairment losses	51.2	50.3
Write–downs, write–ups of financial assets	–1.2	–0.2
Share of profit/loss of associates	–4.8	–0.4
Non–current provisions	–15.2	–3.4
Gain/loss on disposal of non–current assets	–1.0	–0.7
Taxes paid	–17.7	–34.5
Net interest received/paid	–3.3	–0.2
Currency translation	–0.5	–0.7
Operating cash flow before changes in working capital	**82.7**	**80.7**
Changes in working capital		
Receivables	–3.9	6.1
Inventories	1.9	–1.0
Payables	–4.5	–10.9
Current provisions	–17.3	–16.1
Cash flow from changes in working capital	**–23.8**	**–21.9**
Cash flow from operating activities	**58.9**	**58.8**
Investing activities		
Purchase of intangible assets	–1.0	–4.0
Purchase of property, plant and equipment	–37.6	–14.9
Acquisition of subsidiaries	–3.2	–1.1
Acquisition/disposal of associates	4.6	–0.3
Acquisition of financial investments in securities	–24.7	0.0
Proceeds from the sale of non–current assets	7.7	5.8
Proceeds from the sale of financial investments in securities	0.0	5.0
Dividends received from associates	0.1	0.2
Interest received	5.6	1.9
Cash flow from investing activities	**–48.3**	**–7.5**
Free cash flow	**10.5**	**51.3**
Financing activities		
Changes in financial liabilities	–10.5	1.3
Dividends paid	–101.3	–101.3
Interest paid	–2.3	–1.7
Cash flow from financing activities	**–114.0**	**–101.7**
Net change in cash and cash equivalents	**–103.5**	**–50.4**
Cash and cash equivalents at January 1	248.1	293.8
Cash and cash equivalents at June 30	**144.6**	**243.4**

Segment reporting

H1 2009 EUR m	Mail	Parcel & Logistics	Branch Network	Other	Consol-idation	Group
External sales	688.4	371.1	95.2	2.1	–0.9	1,156.0
Internal sales	22.2	12.1	92.8	84.0	–211.2	0.0
Total revenue	**710.6**	**383.2**	**188.1**	**86.2**	**–212.1**	**1,156.0**
Profit/loss from operations	110.0	–3.4	–4.0	–32.1	0.0	70.6
Share of profit/loss from associates	4.6	0.0	0.0	0.3	0.0	4.8
EBIT	**114.5**	**–3.4**	**–4.0**	**–31.8**	**0.0**	**75.4**
Segment assets	441.9	548.8	55.0	497.6	–132.3	1,411.1
Investments in associates	6.8	0.0	0.0	0.5	0.0	7.3
Segment liabilities	322.8	215.1	73.2	493.0	–132.4	971.7
Segment investments	14.8	10.1	1.1	8.5	0.0	34.6
Depreciation, amortisation and impairment losses	–18.4	–12.9	–2.9	–17.0	0.0	–51.2
thereof impairment losses	–2.0	0.0	0.0	0.0	0.0	–2.0
Employees	15,139	3,946	4,749	2,066	–	25,900

Q2 2009 EUR m	Mail	Parcel & Logistics	Branch Network	Other	Consol-idation	Group
External sales	335.4	180.2	44.5	0.4	0.2	560.8
Internal sales	11.2	5.7	45.4	42.2	–104.5	0.0
Total revenue	**346.7**	**185.9**	**89.9**	**42.6**	**–104.3**	**560.8**
Profit/loss from operations	51.2	–4.1	–4.1	–15.7	0.1	27.4
Share of profit/loss from associates	0.2	0.0	0.0	0.0	0.0	0.2
EBIT	**51.4**	**–4.1**	**–4.1**	**–15.6**	**0.1**	**27.6**
Depreciation, amortisation and impairment losses	–10.2	–6.4	–1.5	–8.5	0.0	–26.7
thereof impairment losses	–2.0	0.0	0.0	0.0	0.0	–2.0

Geographical segments

	Austria		Germany		Other Countries		Group	
H1 **EUR m**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**
External sales	813.2	804.3	275.3	276.0	67.4	69.9	1,156.0	1,150.1
Segment assets	996.8	888.7	310.3	307.5	104.0	98.2	1,411.1	1,294.4
Segment investments	19.3	14.2	5.1	6.8	10.1	2.4	34.6	23.3

Segment reporting

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

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

Geographical segments

	Austria		**Germany**		**Other Countries**		**Group**	
Q2 **EUR m**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**
External sales	394.9	393.6	131.2	136.4	34.8	34.6	560.8	564.5

Consolidated statement of changes in equity

H1 2009 EUR m	Share capital	Treasury shares	Capital reserves	Revenue reserves
Balance at January 1, 2009	**350.0**	**–12.2**	**130.5**	**178.2**
Withdrawal of treasury shares	–12.2	12.2		
Dividends paid				–50.0
Profit for the period				
Other comprehensive income				
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.0**
Balance at June 30, 2009	**337.8**	**0.0**	**130.5**	**128.2**

H1 2010 EUR m	Share capital	Treasury shares	Capital reserves	Revenue reserves
Balance at January 1, 2010	**337.8**	**0.0**	**130.5**	**128.2**
Change of investment				0.3
Dividends paid				–21.6
Profit for the period				
Other comprehensive income				
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.0**
Balance at June 30, 2010	**337.8**	**0.0**	**130.5**	**106.8**

Revaluation of finanancial instruments

Held for sale	Hedging	Currency translation reserves	Profit for the period	Consolidated equity
–20.4	**–4.2**	**0.7**	**118.9**	**741.5**
				0.0
			–118.9	–168.9
			56.2	56.2
0.6	2.7	–0.3		3.0
0.6	**2.7**	**–0.3**	**56.2**	**59.2**
–19.8	**–1.5**	**0.4**	**56.2**	**631.8**

Revaluation of finanancial instruments

Held for sale	Hedging	Currency translation reserves	Profit for the period	Consolidated equity
–3.0	**0.3**	**0.2**	**79.7**	**673.7**
				0,3
			–79.7	–101.3
			54.1	54.1
0.7	0.3	–0.2		0.8
0.7	**0.3**	**–0.2**	**54.1**	**54.9**
–2.3	**0.7**	**0.0**	**54.1**	**627.6**

NOTES

1. Basis of preparation

The interim consolidated financial statements of Austrian Post as at June 30, 2010 were prepared in accordance with the binding International Financial Reporting Standards (IFRS) valid at June 30, 2010, 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 June 30, 2010, 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 2009 financial year.

In the first half of 2010, the following new or revised standards and interpretations were binding for the first time:

New and revised standards and interpretations		**Effective date[1]**
IFRS 1	First-Time Adoption of IFRS	July 1, 2009
IFRS 1	Additional Exemptions for the First-Time Adoption of IFRS	Jan. 1, 2010
IFRS 2	Share-based Payments	Jan. 1, 2010
IFRS 3/IAS 27	Business Combinations and Consolidated and Separate IFRS Financial Statements	July 1, 2009
IAS 32	Financial Instruments: Classification of Rights Issues	Feb. 1, 2010
IAS 39	Financial Instruments: Recognition and Measurement – Permissible transactions within the context of hedging relationships	July 1, 2009
IFRIC 17	Distribution of Non-cash Assets to Owners	July 1, 2009
Other	Annual Improvements to IFRS 2009	mostly Jan. 1, 2010

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

The revised standards IFRS 1, IAS 32, IAS 39 and the interpretation IFRIC 17 are currently not applicable to the Austrian Post Group. The "Improvements to IFRS" do not have any material impact on the presentation of the consolidated financial statements of the Austrian Post Group.

The amendments to IFRS 2 clarify how to account for share-based payment arrangements settled in cash in the Group. The standard in detail clarifies, how an individual subsidiary in a Group should account for some share-based payment arrangements in its own financial statements. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the Group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendments to IFRS 2 currently do not have any material impact on the presentation of the consolidated financial statements.

The changes undertaken in IFRS 3 "Business Combinations" alter the treatment of the acquisition costs and the accounting of step acquisitions and changes in interests held, with loss or retention of control. The revised standard features a greater scope of application and an option as to the choice of approach to the valuation of goodwill and an alteration in the accounting of contingent consideration. The amendments also affect reacquired rights, contingent liabilities, claims for indemnification, intangible assets and produce a new approach to measuring the assets and liabilities acquired with a company, with this entailing their recognition and classification. IRFS 3 joins the updated IAS 27 "Consolidated and Separate Financial Statements" in governing the revamped measurement of partial disposals of subsidiaries as well as that of stakes in NCIs (non-controlled interests). Due to the first time application of the amendments to IFRS 3 and IAS 27 the Group does expect an impact on the profit, asset and financial position of the Group as well as the presentation of the consolidated financial statements of Austrian Post in the course of business combinations.

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

For more detailed information on the applied accounting and valuation methods, refer to the consolidated financial statements for the 2009 financial year as at December 31, 2009, 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 21 domestic subsidiaries (December 31, 2009: 21) and 42 foreign subsidiaries (December 31, 2009: 41), in which the company directly or indirectly holds a majority of the voting rights, are included in consolidation. Furthermore, five domestic companies (December 31, 2009: 5) are consolidated according to the equity method.

Changes in the consolidation scope

The following business combinations or changes in the interest held by the Group were carried out in the first half of 2010:

Company name	Interest		Date of	Note
	from	to	transaction	
Mail				
feibra GmbH (feibra Tirol GmbH)[1]	–	100.0%	March 1, 2010	Merger
feibra West GmbH	–	100.0%	Jan. 28, 2010	Incorporation
Post d.o.o. za usluge	–	100.0%	Jan. 8, 2010	Incorporation
Parcel & Logistics				
trans-o-flex ThermoMed GmbH & Co KG (ThermoMed Life Sciences GmbH & Co KG – formerly Rhenus Life Sciences GmbH & Co KG)[2]	–	100.0%	Feb. 1, 2010	Accretion
Eurodis GmbH	80.0%	59.4%	June 15, 2010	Disposal of interest
LogIn Service d.o.o.	–	100.0%	Jan. 7, 2010	Incorporation

[1] The Group subsidiaries listed in parentheses were merged with the initially listed Group subsidiary, and are therefore no longer included in the consolidation scope.
[2] Accretion of the company Thermomed Life Sciences GmbH & Co KG listed in parenthesis, formerly Rhenus Life Sciences GmbH & Co KG, to the limited partner due to the withdrawal of the general partner Thermomed Life Sciences Verwaltungs GmbH, formerly Rhenus Life Sciences Verwaltungs GmbH.

In the middle of June 2010, Austrian Post sold a 20.6% stake in Eurodis GmbH. As a result of relinquishing voting rights within the framework of the disposal of a 20.6% interest in Eurodis GmbH, Austrian Post no longer has a controlling influence in the company. Eurodis GmbH is consolidated according to the equity method as of July 1, 2010.

3. Other information

Austrian Post acquired customer relationships from redmail Logistik & Zustellservice GmbH. They relate to the delivery of unaddressed mail items in Austria, particularly advertising and free newspapers, with the exception of the federal provinces of Carinthia and Styria, as well as the delivery of addressed mail items, i.e. advertising and other types of mail.

The acquisition of customer relationships from redmail enables Austrian Post to further expand its market presence. The additional delivery volume will be handled by existing logistics structures and thus create synergy effects in postal distribution.

The Austrian Post Group acquired customer relationships within the context of an asset deal with Medienvertrieb West GmbH, and reported goodwill. The acquired business area specialises in the delivery, production and distribution of unaddressed mail items, particularly advertising and free newspapers, and operates primarily in the federal province of Salzburg.

Related party transactions

As at June 30, 2010, there was no material change in the transactions with related parties and individuals as presented in the consolidated financial statements as at December 31, 2009.

4. 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 June 30, 2010, 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.

Effective July 1, 2010, the Austrian Post Group acquired a 100% stake in R-Electronic-Bill-Presentment Beteiligungs GmbH, which in turn holds a 60% interest in EBPP Electronic Bill Presentment and Payment GmbH. Accordingly, the 40% share in EBPP Electronic Bill Presentment and Payment GmbH previously held by Austrian Post was increased to 100%. EBPP Electronic Bill Presentment and Payment GmbH is a leading company in the field of electronic invoicing.

5. Negative note

The half-year financial report of Austrian Post AG, Vienna for the first half-year 2010 was neither audited nor subject to an auditor's review.

Vienna, August 2, 2010

The Management Board

Georg Pölzl
Chairman of the Management Board

Rudolf Jettmar
Member of the Management Board

Herbert Götz
Member of the Management Board

Walter Hitziger
Member of the Management Board

Carl-Gerold Mende
Member of the Management Board

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

As the legal representative of Austrian Post we confirm to the best of our knowledge that the interim financial statements as at June 30, 2010 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements as at June 30, 2010 of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, August 2, 2010

The Management Board

Georg Pölzl
Chairman of the Management Board,
Chief Executive Officer

Rudolf Jettmar
Member of the Management Board,
Chief Financial Officer

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

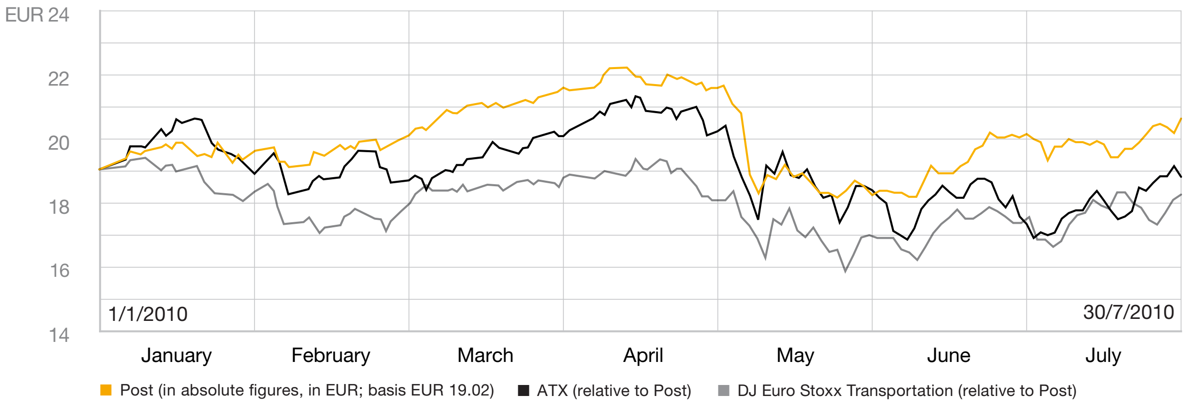
Walter Hitziger
Member of the Management Board,
Director of the Mail Division

Carl-Gerold Mende
Member of the Management Board,
Director of the Parcel & Logistics Division

FINANCIAL CALENDAR 2010

November 17, 2010 Interim report for the first three quarters 2010, for release at 7:30 – 7:40 a.m.

DEVELOPMENT OF THE POST SHARE (JANUARY 2010 – JULY 2010)



IMPRINT

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We have prepared this interim report and checked the figures with the greatest possible care. Nevertheless, rounding, typo-graphical 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: August 2, 2010

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