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euro adhoc: Österreichische Post AG / quarterly or semiannual financial statement / Austrian Post: Earnings Improvement in Q1-3 2006

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Revenues +3.0%, EBIT +26.5%

- Group revenues up 3.0% to EUR 1,271.1m - Solid revenue development in all divisions (Mail: +1.9%, Parcel & Logistics +8.6%, Branch Network +5.2%) - Successful acquisitions in 2006 (Kolos/Slovakia, Wiener Bezirkszeitung/Austria, Weber Escal/Croatia, trans-o-flex/Germany) - Earnings before interest and tax (EBIT) up 26.5% to EUR 93.7m - Operating cash flow remains strong: +3.4% to EUR 193.6m - Upward revision of earnings forecast for 2006: EBIT increase of 15% to 20% expected

The first three quarters of the 2006 financial year developed very favourably for Austrian Post. Both revenues and earnings perceptibly improved in Q1-3 2006 compared to the same period in the previous year. Revenues climbed 3.0% to EUR 1,271.1m, whereas earnings before interest and tax (EBIT) for the Austrian Post Group rose to EUR 93.7m, or 26.5% above last year's level. The share price also developed quite positively, considerably surpassing the performance of various comparable indices.

Increased revenues in all divisions In the first nine months of the 2006 financial year, Austrian Post Group revenues rose 3.0%, or EUR 37.6m, to EUR 1,271.1m. This improvement can be attributed to increased revenues achieved by all divisions. Revenues from the Mail Division were up 1.9%, the Parcel & Logistics Division improved by 8.6%, and Branch Network Division revenues climbed 5.2%.

In Q3 2006, revenues of Austrian Post also grew by 3.1% to EUR 409.7m, although this quarter was one working day shorter than the comparable period of the previous year. The Mail Division was characterised by rising direct mail volumes in the advertising market, as well as a revenue increase in the Media Post segment. The Parcels & Logistics Division posted the highest revenue increase, featuring very solid growth in the international parcels segment. The Branch Network Division also profited from a rise in revenues generated by the sale of telecommunications products.

Revenue development	Q1-3 2005	Q1-3 2006	Change %	Q3 2005	Q3 2006
EUR m					
Austrian Post Group	1,233.5	1,271.1	+3.0%	397.5	409.7
Mail Division	941.1	958.8	+1.9%	302.4	308.3
Parcel & Logistics Division	150.5	163.5	+8.6%	49.0	52.1
Branch Network Division	138.2	145.4	+5.2%	44.8	48.6
Other / Consolidation	3.7	3.3	-10.9%	1.3	0.7
Earnings increase by 26.5%					
EUR m	Q1-3 2005	Q1-3 2006	Change %	Q3 2005	Q3 2006
Total revenue	1,233.5	1,271.1	+3.0%	397.5	409.7
EBITDA	152.6	173.4	+13.7%	49.5	55.5
EBIT	74.1	93.7	+26.5%	17.8	27.4

During Q1-3 2006, the EBIT (earnings before interest and tax) of

Austrian Post rose to EUR 93.7m, an increase of 26.5% compared to the same period last year. Subsequently the EBIT margin amounted to 7.4%. EBITDA for Q1-3 2006 of EUR 173.4m was up 13.7% year-on-year. The EBITDA margin amounted to 13.6%.

All operating divisions made a positive contribution to earnings. EBIT at the Mail Division was EUR 190.8m, at the Parcel & Logistics Division EUR 15.9m, and at the Branch Network Division EUR 8.5m.

Solid balance sheet structure - equity ratio of close to 50% The balance sheet structure of the Austrian Post Group reflects the positive business development of the company in recent years. The equity ratio amounted to close to 50% as at 30 September 2006, and the company's financial strength further improved. Financial assets plus cash and cash equivalents rose by 28.7% since the beginning of the year to EUR 511.5m.

Operating cash flow up 3.4% to EUR 193.6m In Q1-3 2006, the operating cash flow before changes in working capital of Austrian Post rose by 3.4% to EUR 193.6m compared to the same period of the previous year. This rise reflects the improvement in Group earnings, as well as increases in provisions and in depreciation and amortisation. Since the beginning of the year, the net increase in cash and cash equivalents amounted to EUR 125.9m.

Positive Outlook for 2006 Austrian Post continues to expect a stable mail market in 2006. Based on this assumption, Austrian Post anticipates a slight increase in total revenues in 2006. In the light of the performance achieved in Q1-3 2006, the earlier prediction of an EBIT increase ranging from 10% to 15% has been revised upwards to between 15% and 20%.

Austrian Post's medium-term goal is to sustainably establish its EBIT margin in the 7% to 8% range.

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