

Interim Report 2013

January to June

■ Presentation of figures

The amounts shown in the report are rounded. 0 is a rounded amount, indicating that the original figure was less than half of the unit used. A dash (–) in place of a figure indicates that the value is zero.

■ True-to-scale representation of figures in charts

All charts are shown to scale to present a true and fair view. Exceptions to the scale shown below are noted in each case. 20 mm is equivalent to CHF 1 billion. Percentages in charts are standardized as follows: Horizontal: 75 mm is equivalent to 100 percent. Vertical: 40 mm is equivalent to 100 percent.

■ Key for charts and tables

- Current year
- Previous year
- Positive effect on result
- Negative effect on result

■ Languages

The Interim Report is available in English, German, French and Italian. The German version is authoritative.

Interim Report January to June 2013

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Key points in brief

Swiss Post successfully completed the transition to its new legal form and remains on track after six months of the year following its conversion to a public limited company. In the first half of 2013, it achieved Group profit normalized to take account of one-off items of 359 million francs (previous year: 412 million francs). The decline of 53 million francs is due to the Group result being fully subject to taxation for the first time following the conversion to the new legal form. The adjusted operating result (EBIT) rose to 556 million francs (previous year: 431 million francs). This increase of 125 million francs was achieved thanks to solid income on the financial and investment markets and good cost management. All four markets contributed to this good result.

Introduction

The financial result of Swiss Post (Group) includes three one-off items in 2013. This did not lead to any adjustment in the previous year's figures. Details of the one-off items and their financial impact are given on page 10. Non-recognition (normalization) of the three items facilitates a comparison with the previous year and allows current operating performance to be shown.

Swiss Post remains on track

Normalized Group profit amounted to 359 million francs, a decline of 53 million francs year-on-year. The decrease is due to the Group result being fully subject to taxation for the first time. Full liability for taxation, which came into effect on 1 January 2013 as a result of the new legal form, led to the initial recognition of deferred negative income tax expense (943 million francs) and an effective Group profit of 1,641 million francs.

With the **average invested capital**, Swiss Post generated economic value added of 78 million francs. This represents a reduction of 109 million francs, due to higher capital costs and the lower adjusted operating result.

As at 30 June 2013, **equity** reported at Group level stood at 4,783 million francs after appropriation of 2012 profit. Following the conversion of Swiss Post into a public limited company under special law and PostFinance into a public limited company regulated by the Swiss Financial Market Supervisory Authority (FINMA) on 26 June 2013, the Group and its subsidiaries have sufficient equity.

Swiss Post is once again on track to meet the financial **targets of its owner** in 2013.

Different trends in Swiss Post's four markets

- In the **communication market**, Swiss Post recorded a normalized operating result of 152 million francs to the end of June 2013 (previous year: 49 million francs). The decline in operating income, primarily due to the loss of international consignments (Asendia outsourcing), was offset by higher internal payments for services and lower operating expenses.
- In the **logistics market**, Swiss Post recorded a normalized operating result of 68 million francs (previous year: 73 million francs). The decline is mainly due to increased transport-related remuneration and higher internal payments for services.
- At 299 million francs (previous year: 292 million francs), PostFinance's operations in the **retail financial market** contributed to the Group's normalized operating result. The year-on-year increase is attributable in particular to higher reversals of impairment, realized gains on financial assets and lower staff costs, and was achieved despite higher internal payments for services.
- The national **public passenger transport market** is growing steadily. In this market, Swiss Post generated a normalized operating result of 17 million francs (previous year: 18 million francs). The decrease is due to pressure on margins.

Management report

General developments

The economy

Despite far calmer international financial markets, growth in the global economy was weaker than expected in the first half of 2013. In the emerging economies, and particularly in China, the economy lost momentum. Gross domestic product in the euro zone continued to decline appreciably, while the recovery in the United States remained tentative. Among the industrialized nations, only Japan gained any noticeable momentum. Switzerland saw a temporary upturn in gross domestic product. Household consumer spending and investment in construction was positive. However, momentum from abroad continued to be weak. According to the Swiss National Bank (SNB), economic growth in Switzerland, Swiss Post's most important market, remained below its long-term average.

Customers and sectors

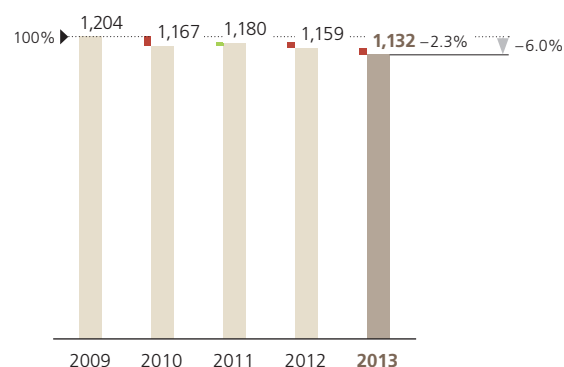
Communication market

Performance between products in the communication market varied widely. The number of addressed letters handled by PostMail and Post Offices & Sales in the first half of the year was 2.3 percent lower year-on-year. Meanwhile, unaddressed mail increased by around 4 percent year-on-year. On the other hand, newspaper delivery volumes saw negative performance (–3.8 percent) due to changes in customer behaviour. Post Offices & Sales recorded a downturn in over-the-counter payment transactions and net sales of non-postal brand-name items. Import and export volumes (mail) fell 5.1 percent year-on-year. At Swiss Post Solutions, income from services provided remained largely unchanged.

2.3 percent decrease in addressed letters year-on-year

Communication market | Addressed letters

2009 to 2013, showing change from prior year / over five years
2009 = 100%, figures expressed in millions as at 30.6.



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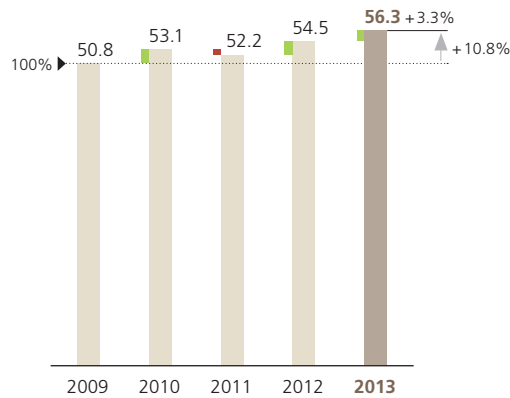
Logistics market

The logistics sector continues to be characterized by increasing competition and price pressure, both nationally and internationally. Customers are price-sensitive and have high expectations with regard to quality. As a result of deregulation and changing customer needs, there is increasing overlap between the courier, express and parcels segments and traditional dispatch. Parcel volumes increased year-on-year, both domestically (+3.1 percent) and in terms of imports and exports (+3.75 percent).

3.3 percent increase in parcel volumes year-on-year

Logistics market | Parcels

2009 to 2013, showing change from prior year / over five years
 2009 = 100%, figures expressed in millions as at 30.6.

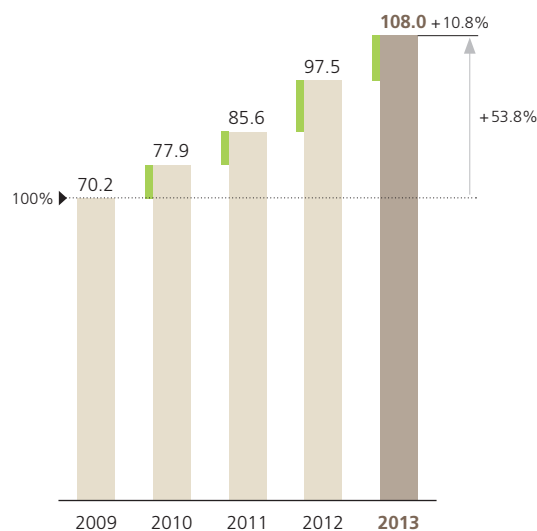


Retail financial market

PostFinance recorded a further inflow of customer deposits year-on-year. Swiss Post's financial arm continues to enjoy the trust of customers who manage their own finances and who appreciate a simple and inexpensive range of services. In the first six months of the year, average customer deposits totalled 108,044 million francs. This represents an increase of around 11 percent year-on-year.

Steady increase in average customer deposits

Retail financial market | Average customer deposits (PostFinance)
2009 to 2013, showing change from prior year / over five years
2009 = 100%, CHF billion as at 30.6.



Public passenger transport market

The national public passenger transport market is growing steadily. As the budgets of public sector organizations which act as contracting bodies for transport services are squeezed once again, pressure on prices is set to increase substantially, slowing the further expansion of the public transport network. PostBus has been operating urban bus networks and bus routes in France for a number of years. In the first half of 2013, PostBus increased the number of kilometres covered by 2.5 percent, recording a total of 65 million kilometres.

Strategy

To meet the targets of its shareholder/owner, Swiss Post must create added value. Its chosen strategy for doing so has five strategic thrusts: provide high-quality services, offer competitive prices, achieve sustainable profitable growth through new solutions, cut costs in a socially responsible manner, and optimally exploit the prevailing conditions in the business environment.

Consolidated Group

On 28 February 2013, Swiss Post Solutions Ltd acquired Scalaris AG, a company headquartered in Opfikon, Switzerland. This acquisition allows Swiss Post Solutions to strengthen its horizontal business process outsourcing activities with forward-looking IT-based solutions. Scalaris AG operates in Switzerland and Germany and employs 90 staff.

The overall effect of this acquisition on the consolidated financial statements is not material in nature.

Finances

Economic value added

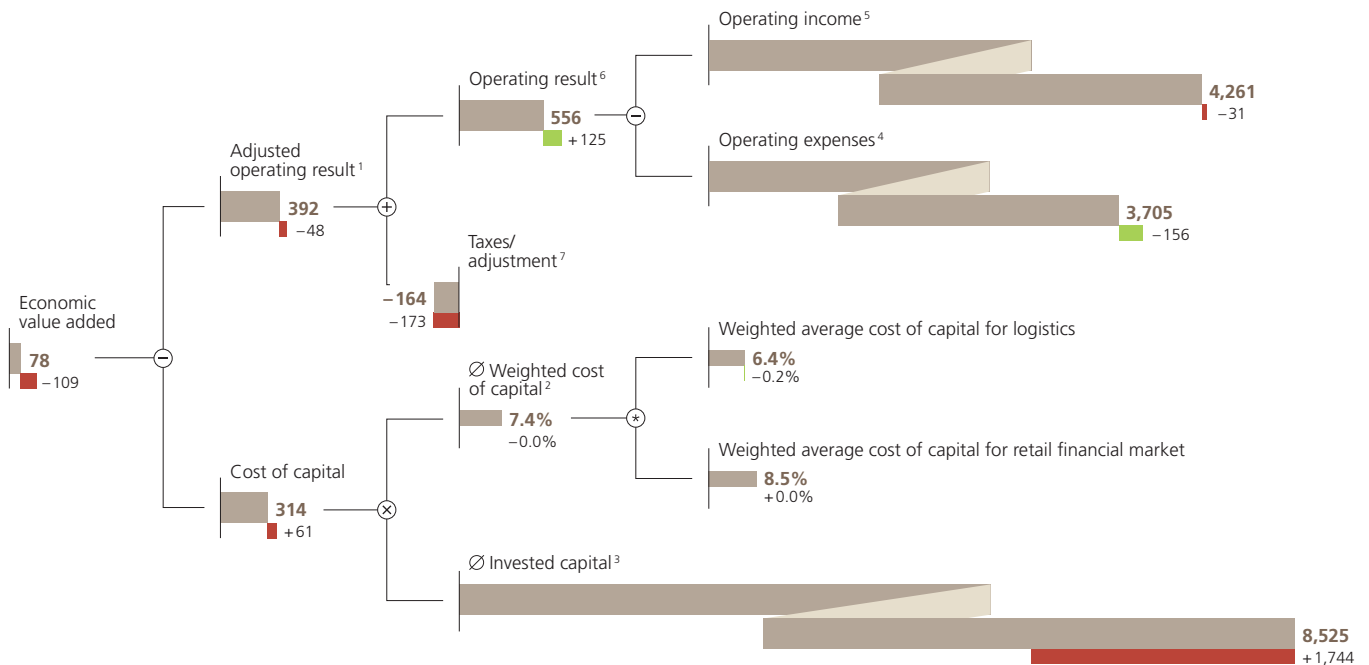
In line with the Federal Council's financial targets, Swiss Post is expected to maintain and increase the company's value. Value added is created when the adjusted operating result exceeds the cost of average invested capital. In addition to the income statement, this approach also factors in the risks and the capital employed.

Economic value added in the Logistics unit is calculated from the adjusted operating result (NOPAT) minus capital costs (cost of capital for Logistics times average invested capital, or NOA). In the retail financial market, economic value added is calculated from the profit (EBT) in accordance with IFRS minus capital costs (cost of capital in the retail financial market times relevant average capital amount).

As at 30 June 2013, Swiss Post met the financial expectations of the Federal Council and generated normalized economic value added of 78 million francs. This is around 58 percent less than in the previous year (187 million francs). The decrease is due to the lower adjusted operating result and higher capital costs.

Higher capital costs reduce economic value added

Group | Normalized economic value added
 1.1. to 30.6.2013, showing change from prior year
 CHF m, percentage points



⊗ Weighted with the average invested capital in logistics and in the retail financial market (PostFinance).
 1 Normalized adjusted operating result
 2 Corresponds to weighted average cost of capital after taxes (WACC) for logistics and cost of equity for the retail financial market (PostFinance).
 3 At PostFinance corresponds to ∅ equity in accordance with Basel III (CHF 3,882 m) and in logistics units to the ∅ net operating assets (NOA) of CHF 4,643 million.
 4 Normalized operating expenses (excluding plan amendment gains from IAS 19)
 5 Normalized operating income
 6 Normalized operating result
 7 Normalized taxes/adjustment

Income statement

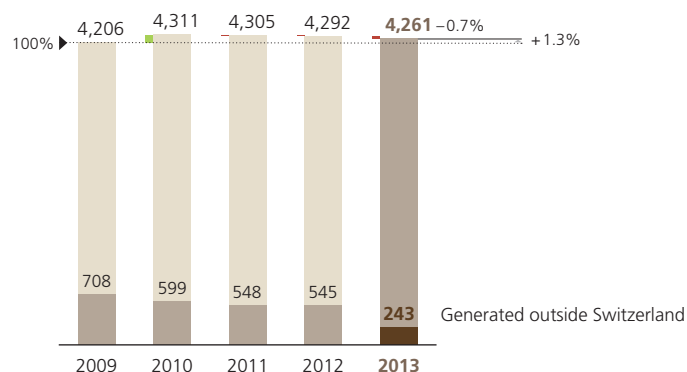
Operating income

In the first six months of 2013, normalized operating income amounted to 4,261 million francs (previous year: 4,292 million francs). This represents a fall of about 1 percent. The decline abroad is due to the outsourcing of international letter business to Asendia, a joint venture established in collaboration with France's La Poste.

0.7 percent decrease in operating income year-on-year

Group | Normalized operating income

1.1. to 30.6.2009 to 2013, showing change from prior year/over five years
 2009 = 100%, CHF m

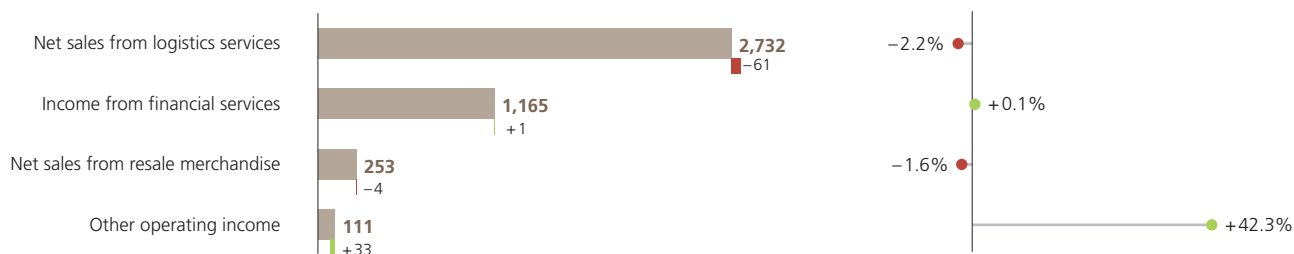


Normalized net sales from logistics services fell by 61 million francs year-on-year to 2,732 million francs (effective reduction of 166 million francs to 2,627 million francs). This was primarily due to the lower revenues from logistics services in international business resulting from the aforementioned outsourcing of international letter business to the joint venture Asendia. Net sales from resale merchandise and income from financial services were stable. Other operating income increased significantly by 33 million francs year-on-year as a result of property sales.

Decrease of 31 million francs year-on-year.

Group | Normalized operating income

1.1. to 30.6.2013, showing change from prior year
 CHF m, percent



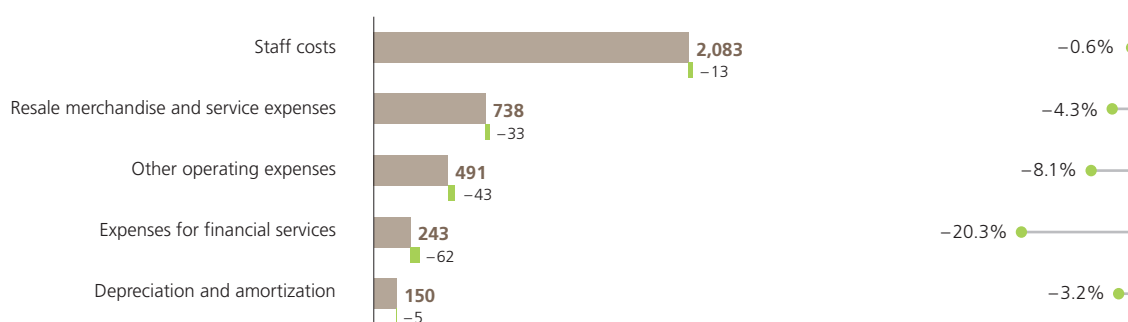
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Operating expenses

The decrease in normalized staff costs was primarily due to the lower average headcount. Resale merchandise and service expenses fell by 33 million francs. This was primarily due to the outsourcing of international business to the joint venture Asendia and the associated lower service expenses at PostMail. Expenses for financial services decreased due to lower interest expenses. Other operating expenses fell by around 8 percent year-on-year. This is due to lower costs for premises and reduced costs for maintenance and repairs. Depreciation and amortization costs decreased slightly.

Normalized decrease of 156 million francs

Group | Normalized operating expenses
 1.1. to 30.6.2013, showing change from prior year
 CHF m, percent



Operating result

The positive development of the normalized operating result year-on-year is attributable primarily to lower expenses. The aforementioned expense and income trends led to an improvement of 125 million to 556 million francs in the normalized operating result.

Group profit

Income from associates and joint ventures remained unchanged from the previous year at 6 million francs. Financial income fell by 11 million francs year-on-year. Financial expenses increased by 2 million francs over the previous year. Normalized income tax increased by -6 million to -171 million francs. This rise was due largely to the increase in current income taxes to 57 million francs (previous year: 4 million francs). The rise in current income taxes is due to Swiss Post being fully subject to taxation for the first time. This increase was however more than offset by the initial recognition of deferred taxes with a negative income tax expense of 943 million francs, which resulted in a normalized Group profit of 359 million francs. Excluding the one-off items noted at the beginning of this report, effective Group profit stands at 1,641 million francs.

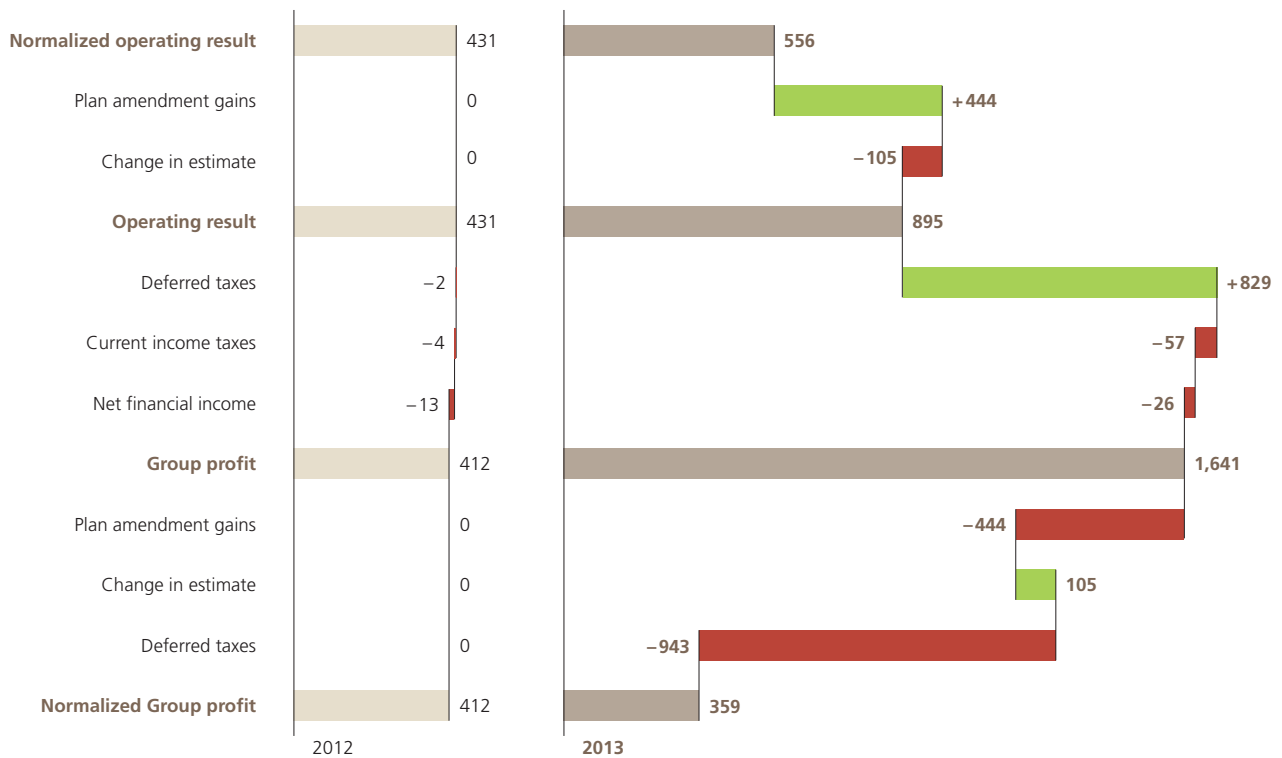
One-off items

As set out in the introduction, Swiss Post's financial result includes the following one-off items in 2013:

- Negative income tax expense due to initial recognition of deferred taxes arising from full liability for taxation with effect from 1 January 2013.
- Plan amendment gain associated with the restructuring plan for the Swiss Post pension fund, leading to a reduction in employee benefit expenses.
- In the light of new information with regard to the level of Swiss Post's performance obligation from stamp sales before 2012, a change in estimates led to a provision that negatively impacted results.

Group profit and operating result affected by significant one-off items

Group | Normalized Group profit
1.1. to 30.6.2012 and first half of 2013
CHF m



Segment results

Almost all segments contributed to the positive operating result.

Group Segment results 1.1. to 30.6.2013 with prior-year period CHF m, percent, full-time equivalents	Operating income ^{1,8}		Operating result ^{1,2,8}		Margin ^{3,8}		Headcount ⁴	
	2013	2012	2013	2012	2013	2012	2013	2012
Communication market	2,591	2,610	152	49	5.9	1.9	30,340	31,555
PostMail	1,487	1,596	194	194	13.0	12.2	17,264	18,260
Swiss Post Solutions	282	276	-1	2		0.7	6,487	6,598
Post Offices & Sales	822	738	-41	-147			6,589	6,697
Logistics market								
PostLogistics	777	761	68	73	8.8	9.6	5,408	5,524
Retail financial market								
PostFinance ⁵	1,199	1,170	299	292			3,450	3,470
Public passenger transport market								
PostBus ⁶	399	377	17	18	4.3	4.8	2,411	2,262
Other ⁷	449	462	20	-1			2,149	2,152
Consolidation	-1,154	-1,088						
	4,261	4,292	556	431			43,758	44,963

1 Operating income and operating result by segment are now reported before management, licence fee and net cost compensation. The prior-year amounts have been adjusted.

2 Operating result corresponds to earnings before net non-operating financial income/expenses and taxes (EBIT).

3 The retail financial market (PostFinance) uses the indicator return on equity; no margin is calculated for "Other"; negative margins are not reported.

4 Average expressed in terms of full-time equivalents

5 PostFinance is regulated by the Swiss Financial Market Supervisory Authority (FINMA) and therefore subject to its Bank Accounting Guidelines (BAG). There are differences between BAG and IFRS.

6 In the field of regional public transport, PostBus is subject to the DETEC ordinance on the accounting of licensed businesses (RKV). There are differences between RKV and IFRS.

7 Includes service units (Real Estate, Information Technology, Corporate Procurement and Language Services) and management units (e.g. Human Resources, Finance and Communication).

8 Normalized figures

Communication market

PostMail

For the first half of the year, PostMail registered a normalized operating result of 194 million francs (360 million francs, effective), matching the previous year's figure.

Operating income fell by 109 million francs, reaching 1,487 million francs. International business accounts for 103 million francs of the decline as a result of the outsourcing of international letter business to Asendia, a joint venture established in collaboration with France's La Poste. As with volume trends, sales from unaddressed mail and newspapers also registered a downturn.

Normalized operating expenses were reduced by 109 million francs year-on-year to 1,293 million francs. This was primarily due to the outsourcing of international business to the joint venture Asendia and the associated reduction in staff and service expenses. Higher employee benefit expenses and a rise in payments for internal Swiss Post services contributed to an increase in expenses.

Headcount declined by 996 full-time equivalents year-on-year. This fall was the result of both outsourcing abroad and improvements in efficiency.

PostMail:
 Operating result
 unchanged

Swiss Post Solutions: Operating result on a par with previous year

Swiss Post Solutions

In the first half of 2013, SPS registered a normalized operating result of –1 million francs (9 million francs, effective), which was 3 million francs below the comparable prior-year result. In Germany, the result fell by 3 million francs due to the loss of revenues from first shipment of electronic health cards and the poor performance of the Cards unit. The result in the UK was also down slightly due to acquisition costs, but this was more than offset by the significant improvement in France. The operating result in Switzerland declined moderately due to higher employee benefit expenses. In the US, the result increased slightly despite the loss of Barclays, a major customer. SwissSign AG's result improved sharply as a result of the streamlining of the organization.

Operating income amounted to 282 million francs (+2 percent year-on-year), a figure which does not yet reflect the strong increase in orders over the previous year of 26 million francs to 207 million francs. Adjusted for acquisitions, the business performance of the Swiss units declined slightly due to greater competitive pressure. Lower sales of 5 million francs in Germany at the Cards unit and the loss of sales from electronic health cards were offset by positive trends in other activities abroad. The acquisition of Scalaris AG contributed operating income of 6 million francs.

Normalized operating expenses were up by 9 million francs year-on-year, of which 6 million francs were due to acquisitions and 2 million francs to higher employee benefit expenses in Switzerland.

Headcount decreased year-on-year from 6,598 to 6,487 full-time equivalents. The acquisition of Scalaris AG increased the headcount at Swiss Post Solutions by 94 full-time equivalents. Headcount in Italy increased by 14 as a result of new business. The period saw reductions in personnel in the US from the loss of customers Barclays and Swiss Post International (–159), in the consulting business in Germany (–25) and in France (–19) as a result of last year's restructuring. In the other countries, the net change from ordinary staff turnover totals –16 full-time equivalents.

Post Offices & Sales

In the first half of 2013, Post Offices & Sales recorded a normalized result of –41 million francs (–CHF 60 million francs, effective) and improved the operating result by 106 million francs compared to the previous year.

Normalized operating income was up by 84 million francs year-on-year to 822 million francs. The decline in volumes of the logistics products letters and parcels led to a fall in sales of 13 million francs. Sales from resale merchandise remained stable. Higher internal payments for services resulted in an increase in sales of 97 million francs for financial products and business customers.

Normalized operating expenses were cut by 22 million francs year-on-year to 863 million francs. Volume trends for postal products led to a fall in service expenses of around 7 million francs. The remaining expenses were reduced by a further 16 million francs, primarily due to positive effects from the development of the post office network in terms of rental expenses and strict cost management.

Headcount totalled 6,589 full-time equivalents, 108 fewer than the previous year as a result of developments in the post office network.

Post Offices & Sales: Strong improvement in operating result

PostLogistics: Good operating result

Logistics market

PostLogistics

PostLogistics achieved a normalized operating result of 68 million francs (124 million francs, effective), representing a fall of –5 million francs year-on-year.

Operating income totalled 777 million francs, exceeding the previous year's total by +16 million francs. The bulk of this increase can be attributed to the integration of Swiss Post International products with effect from 1 January 2013 and to a 3.3 percent increase in parcel volumes, which was generated primarily through online business.

Normalized operating expenses increased year-on-year by a total of +21 million francs to 709 million francs. Normalized staff costs were down –11 million francs on the previous year, largely due to lower headcount and the lower related costs for wages and salaries. Resale merchandise and service expenses were up +28 million francs year-on-year, primarily due to higher internal payments for services and increased costs for third-party transporters. At a total of 164 million francs, other operating expenses were up +CHF 7 million francs year-on-year, particularly the cost of maintenance and repair of property, plant and equipment and IT consulting expenses. This was due to a number of new IT projects and a reduction in charges allocated to the Group.

Average headcount fell by 116 to 5,408 full-time equivalents. The main reasons for this decline were optimization measures in the transport unit and the liquidation of IT ServiceHouse AG.

Retail financial market

PostFinance

In the first half of 2013, PostFinance recorded a normalized operating result of 299 million francs (350 million francs, effective), representing an increase of 7 million francs (+2 percent) year-on-year.

Net interest income rose by 30 million francs (+6 percent) year-on-year. Given the difficult market environment and the associated less profitable investment opportunities, customer interest rates had to be adjusted to market conditions. There were more reversals of impairment on financial assets compared to the prior-year period (39 million francs; previous year: 5 million francs). PostFinance recorded net commission and service income of 77 million francs (–69 million francs, –48 percent). Compared to the prior-year period, commission and services expenses, in particular, rose sharply due to changes in internal payments for services (288 million francs, previous year: 203 million francs). Commission and service income increased slightly year-on-year (365 million francs, previous year: 349 million francs). Overall, operating income remained high at 760 million francs.

At 461 million francs, normalized operating expenses were higher than the previous year (+8 million francs, +2 percent). Non-staff costs (209 million) were above the previous year's level (+2 million francs). With a slight decrease in headcount and lower other staff costs, normalized staff costs (240 million francs) were lower than the previous year (–2 million francs, –1 percent).

PostFinance: Continued rise in customer deposits

PostBus: Another solid result

Public passenger transport market

PostBus

Both income and expenses increased by 6 percent year-on-year, producing a normalized operating result of 17 million francs (54 million francs, effective), around 1 million francs down on the previous year.

An increase of 22 million francs in operating income was achieved mainly through the expansion of services in Switzerland. The continuing growth in France was borne out by an increase in operating income of 18 percent to 37 million francs.

Normalized operating expenses of 382 million francs were heavily influenced by higher staff expenses (+23 percent). The main factors here were an increase in employee benefit expenses, additional staff in France and restructuring costs (centralization of PostBus Finance).

Headcount increased by 149 full-time equivalents compared to the prior-year period. The largest increase was in France (+94 full-time equivalents) for a range of reasons including the operation of the urban network in Menton.

Management and service units

Up to 30 June 2013, the "Other" segment recorded a normalized operating result of 20 million francs (58 million francs, effective). The result for the prior-year period was –1 million francs.

Normalized operating income of 449 million francs fell by 13 million francs year-on-year.

Normalized operating expenses declined more sharply than operating income, down by 34 million to 429 million francs. The income and expense trends were mainly influenced by the relocation of Real Estate to PostFinance Ltd (with effect from January 2013). This relocation of Real Estate was undertaken as part of the conversion of Swiss Post from a public-law institution to a public limited company under special law. At 2,149, headcount remained roughly at the previous year's level.

Management and service units: Better operating result achieved

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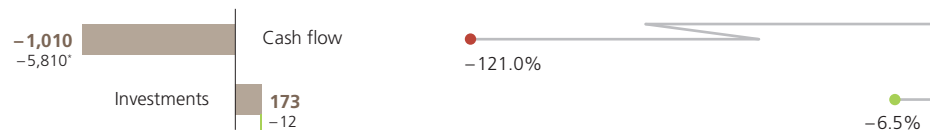
Cash flow and investments

Cash flow declined by 5,810 million francs to –1,010 million francs year-on-year. Cash flow reporting now includes the changes in items from financial services (PostFinance). Due primarily to the change in customer assets, this is expressed as a negative cash-flow change. For more information on changes in the consolidated cash flow statement, see page 22 or refer to the Notes under “Accounting changes”, page 23.

Investments are completely self-financed again

Group | Internal financing

1.1. to 30.6.2013, showing change from prior year
 CHF m



* Difference cannot be shown

Overall, effective investments in property, plant and equipment (112 million francs), investment property (25 million francs), intangible assets (25 million francs) and investments (11 million francs) were down 12 million francs on the previous year. This was primarily due to lower investments in property, plant and equipment and smaller acquisitions of investments in subsidiaries. Excluding the positions from financial services (PostFinance), cash flow was sufficient for the company to finance its own investments.

Net debt

For the indicator net debt/EBITDA (operating result before depreciation and amortization) Swiss Post has set a maximum figure of 1 as its target. Customer deposits and financial assets of PostFinance Ltd are not included in the calculation of this indicator. Figures above the target are possible in the short term. Figures below the target indicate financial leeway. The target was met as at 30 June 2013.

Consolidated balance sheet

Receivables due from banks

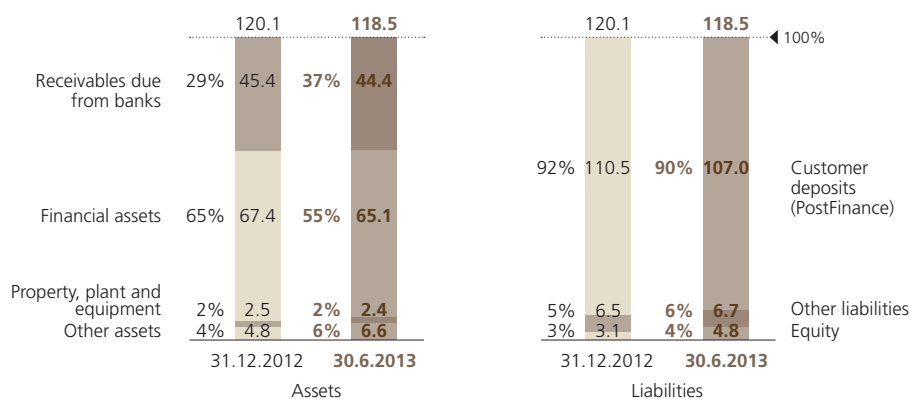
In comparison with 31 December 2012, receivables due from banks decreased by around one billion francs.

Financial assets

In comparison with the end of 2012, financial assets fell by around 2.3 billion francs. The decrease can be attributed to the desired shortening of the average duration of PostFinance's financial assets.

Slight decrease in total assets compared to 31.12.2012

Group | Balance sheet structure
As at 31.12.2012 and 30.6.2013
CHF billion



Property, plant and equipment

The carrying amount of property, plant and equipment decreased by 34 million francs compared with 31 December 2012. Totalling around 134 million francs, depreciation and amortization expenses changed only marginally in the first six months of 2013.

Customer deposits

Since 31 December 2012, customer deposits at PostFinance declined by 3,555 million francs to 106,976 million francs. As at 30 June 2013, customer deposits accounted for around 90 percent of the Group's total assets.

Other liabilities (provisions)

Provisions, including employee benefit obligations, increased marginally by 10 million francs. This was essentially due to an increase in employee benefit obligations of around 19 million francs. The dominant factor here was the reduction of the discount rate. All other provisions changed only marginally.

Equity

Effective consolidated equity as at 30 June 2013 (4,783 million francs) was calculated net of the appropriation of profit for 2012. The conversion of Swiss Post into a public limited company under special law and PostFinance into a public limited company regulated by FINMA became effective on 26 June 2013. The subsidiaries mentioned were equipped with sufficient equity.

Outlook

According to the SNB, global GDP growth is expected to strengthen gradually in the coming quarters. In the United States, the slow but steady recovery in the labour market and rising property prices are supporting consumer spending. The particularly expansive economic policy in Japan is having a stimulating effect. Given calmer financial market conditions and growing international trade, the euro zone should gradually emerge from recession. In addition, the fiscal burden will ease in most member states next year. The revival in world trade will also boost the emerging economies. However, given that some of these countries are trying to curb strong credit growth and dampen inflation expectations, economic growth is unlikely to reach the peaks of the recent past.

The prospects for growth in Switzerland have not changed significantly since the SNB's last assessment. After a temporary recovery, the SNB expects a significant slowdown in growth in the short term. Some positive impetus can be expected from sectors focusing on the domestic market, which are benefiting from a comparatively robust labour market, immigration and favourable credit conditions. By contrast, subdued economic growth abroad, particularly in the euro zone, has weighed on sentiment somewhat among Swiss exporters. The SNB expects the Swiss economy to gradually pick up in line with the general recovery in the world economy. For the most part however, the risks facing the global economy, and, in turn, Switzerland, remain in place.

Given the economic prospects as well as increased competition, the sustained substitution effects, the optimization of business customer shipping operations and the need to maintain the equity base, Swiss Post is convinced that it should continue to pursue the strategy defined.

Financial report

Group

Consolidated income statement

Group Income statement	2013 1.1. to 30.6. reviewed	2012 1.1. to 30.6. ¹ reviewed
CHF m		
Net sales from logistics services	2,627	2,793
Net sales from resale merchandise	253	257
Income from financial services	1,165	1,164
Other operating income	111	78
Total operating income	4,156	4,292
Staff costs	-1,639	-2,096
Resale merchandise and service expenses	-738	-771
Expenses for financial services	-243	-305
Depreciation and impairment	-150	-155
Other operating expenses	-491	-534
Total operating expenses	-3,261	-3,861
Operating result	895	431
Financial income	7	18
Financial expenses	-39	-37
Net income from associates and joint ventures	6	6
Profit before tax	869	418
Income tax	772	-6
Group profit	1,641	412
Group profit attributable to		
Swiss Confederation (owner)	1,641	412
Non-controlling interests	0	0

¹ Figures have been adjusted (see Notes to the Interim Report, Accounting changes).

Consolidated statement of comprehensive income

Group Statement of comprehensive income	2013 1.1. to 30.6. reviewed	2012 1.1. to 30.6. ¹ reviewed
CHF m		
Group profit	1,641	412
Other comprehensive income		
Revaluation of employee benefit obligations	-581	-109
Change in directly recognized equity valuation	-1	-
Change in deferred income taxes	212	-1
Items not reclassifiable in the income statement, after tax	-370	-110
Change in currency translation reserves	2	-1
Change in directly recognized equity valuation	-1	-
Change in fair value reserves from available-for-sale financial assets	10	29
Gains/losses transferred to income statement from available-for-sale financial assets	-12	-1
Change in hedging reserves from cash flow hedges	11	-29
Gains/losses transferred to income statement from cash flow hedges	40	24
Change in deferred income taxes	0	0
Reclassifiable items in income statement, after tax	50	22
Total other comprehensive income	-320	-88
Total comprehensive income	1,321	324
Total comprehensive income attributable to		
Swiss Confederation (owner)	1,321	324
Non-controlling interests	0	0

¹ Figures have been adjusted (see Notes to the Interim Report, Accounting changes).

Consolidated balance sheet

Group Balance sheet CHF m	30.6.2013 reviewed	31.12.2012 ¹ audited	1.1.2012 ¹ audited
Assets			
Cash	1,930	2,146	2,067
Receivables due from banks	44,349	45,358	31,534
Interest-bearing amounts due from customers	294	93	81
Trade accounts receivable	1,071	1,045	927
Other receivables	1,021	956	1,071
Inventories	75	87	77
Non-current assets held for sale	0	1	1
Financial assets	65,057	67,357	69,629
Investments in associates and joint ventures	95	99	53
Property, plant and equipment	2,427	2,461	2,414
Investment property	93	68	49
Intangible assets	337	300	303
Deferred income tax assets	1,714	98	89
Total assets	118,463	120,069	108,295
Liabilities			
Customer deposits (PostFinance)	106,976	110,531	100,707
Other financial liabilities	1,414	1,372	22
Trade accounts payable	766	725	651
Other liabilities	1,001	828	874
Provisions	447	456	425
Employee benefit obligations	3,017	2,998	2,673
Current income tax liabilities	1	1	2
Deferred income tax liabilities	58	13	8
Total liabilities	113,680	116,924	105,362
Share and endowment capital	1,300	1,300	1,300
Capital reserves	2,419	2,332	2,231
Retained earnings	1,790	-81	-548
Profits and losses recorded directly in other comprehensive income	-727	-407	-50
Equity attributable to the owner	4,782	3,144	2,933
Non-controlling interests	1	1	0
Total equity	4,783	3,145	2,933
Total liabilities and equity	118,463	120,069	108,295

¹ Figures have been adjusted (see Notes to the Interim Report, Accounting changes).

Consolidated statement of changes in equity

Group Statement of changes in equity							
CHF m	Share and endowment capital	Capital reserves	Retained earnings ¹	Profits and losses recorded directly in other comprehensive income	Equity attributable to the owner ¹	Non-controlling interests	Total ¹
Balance as at 1.1.2012	1,300	2,231	1,398	-50	4,879	0	4,879
Accounting changes			-1,946		-1,946		-1,946
Balance as at 1.1.2012, adjusted	1,300	2,231	-548	-50	2,933	0	2,933
Group profit, adjusted			412		412	0	412
Other comprehensive income, adjusted				-88	-88	0	-88
Comprehensive income, adjusted			412	-88	324	0	324
Dividends			-300		-300	0	-300
Capital contribution		100			100		100
Change in non-controlling interests		1	-3		-2	2	0
Other effects			-1		-1		-1
Balance as at 30.6.2012, adjusted	1,300	2,332	-440	-138	3,054	2	3,056
Balance as at 1.1.2013, adjusted	1,300	2,332	-81	-407	3,144	1	3,145
Group profit			1,641		1,641	0	1,641
Other comprehensive income				-320	-320	0	-320
Total comprehensive income			1,641	-320	1,321	0	1,321
Dividends			-300		-300		-300
Capital contribution		100			100		100
Initial recognition of deferred taxes on employee benefit obligations			530		530		530
Stamp duty from conversion into public limited company		-13			-13		-13
Balance as at 30.6.2013	1,300	2,419	1,790	-727	4,782	1	4,783

¹ Figures have been adjusted (see Notes to the Interim Report, Accounting changes).

Consolidated cash flow statement

Group Cash flow statement	2013 1.1. to 30.6. reviewed	2012 1.1. to 30.6. ¹ reviewed
CHF m		
Profit before tax	869	418
Interest expense/(income) (including dividends)	-520	-530
Depreciation and impairment	143	162
Net income from associates and joint ventures	-6	-6
Net gain on disposal of property, plant and equipment	-28	-5
Net (decrease) in provisions	-482	-36
Other non-cash expenses/(income)	-62	17
Change in net current assets:		
(Increase) in receivables, inventories and other assets	-106	-38
Increase/(decrease) in accounts payable and other liabilities	30	-170
Change in items from financial services:		
(Increase)/decrease in receivables due from banks (term of 3 months or more)	-189	26
Decrease in financial assets	2,338	688
Change in customer deposits(PostFinance)/interest-bearing amounts due from customers	-3,756	2,265
Change in other receivables/liabilities from financial services	42	1,228
Interest and dividends received (PostFinance)	826	965
Interest paid (PostFinance)	-106	-177
Income taxes paid	-3	-7
Cash flow from operating activities	-1,010	4,800
Purchases of property, plant and equipment	-112	-146
Acquisition of investment property	-25	-6
Purchases of intangible assets (excl. goodwill)	-25	-9
Purchases of subsidiaries, net of cash and cash equivalents acquired	-11	-24
Proceeds from disposal of property, plant and equipment	37	17
Net proceeds from sale of (payments to acquire) other (non-operating) financial assets	16	8
Interest received and dividends (excl. financial services)	22	20
Cash flow from investing activities	-98	-140
Increase/(decrease) in other financial liabilities	0	-1
Interest received/(paid)	-6	0
Payments to acquire non-controlling interests	-	-2
Transfer from profit available for appropriation to Swiss Post pension fund	-100	-100
Dividends paid to the owner	-200	-200
Cash flow from financing activities	-306	-303
Foreign exchange gains/(losses) on cash and cash equivalents	1	0
Change in cash and cash equivalents	-1,413	4,357
Cash and cash equivalents at 1 January	47,461	33,439
Cash and cash equivalents at end of reporting period	46,048	37,796
Cash and cash equivalents include:		
Cash	1,930	1,809
Receivables due from banks with an original term of less than 3 months	44,118	35,987

¹ Figures have been adjusted (see Notes to the Interim Report, Accounting changes).

Notes to the Interim Report

Business activities

Swiss Post Ltd is a public limited company under special law with its head office in Berne and is wholly owned by the Swiss Confederation. Swiss Post Ltd and its subsidiaries (hereinafter referred to as Swiss Post) provide logistics and financial services both in Switzerland and abroad.

Basis of preparation

The condensed consolidated interim financial statements of Swiss Post Group as at 30 June 2013 were prepared in accordance with IAS 34 "Interim Financial Reporting" and are reviewed. The accounting principles applied are the same as those used for the Financial Report 2012, supplemented with the restrictions listed in the section titled "Accounting changes".

For more information on estimation uncertainty and management's judgement during the preparation of the financial statements, please refer to the Financial Report 2012, pages 70–71.

Accounting changes

Employee benefit obligations

With effect from 1 January 2013, the applicable accounting standard is IAS 19 (revised). Prior-year amounts have been adjusted accordingly. Its retroactive application, in accordance with IAS 8, affected net liability from defined benefit pension plans in the consolidated balance sheet and amounts reported in the consolidated statement of comprehensive income.

- IAS 19 (revised) eliminates the corridor method previously applied by Swiss Post Ltd and requires immediate recognition of actuarial gains and losses in other income. All changes to the present value of employee benefit obligations and the fair value of plan assets are recognized immediately in the period in which they occur. All actuarial gains and losses are recognized immediately in other comprehensive income (OCI). The balance of accrued unrecognized actuarial losses of 1,987 million francs up to 31 December 2011 has been recognized (restated) in the balance sheet under equity (retained earnings) as part of the retroactive application of IAS 19 (revised).
- The previously used interest expense on the present value of employee benefit obligations and the expected return on plan assets are replaced by net interest expense under IAS 19 (revised). This is calculated on the basis of the discount rate and net employee benefit obligation or asset. Net interest expense is now recorded in the financial result (2012: 59 million francs).
- Future employee contributions are now included in the calculation in accordance with IAS 19 guidelines on risk-sharing. As at 1 January 2012, this led to a reduction of 281 million francs in employee benefit liabilities.

The effects of the retroactive changes on the consolidated balance sheet as at 1 January 2012 and 31 December 2012 and the 2012 consolidated income statement are as follows:

Balance as at 1 January 2012			
CHF m	Reported	Adjustment	Adjusted
Employee benefit obligations	686	1,987	2,673
Deferred income tax assets	48	41	89
Equity	4,879	-1,946	2,933
Balance as at 31 December 2012			
CHF m	Reported	Adjustment	Adjusted
Employee benefit obligations	465	2,533	2,998
Deferred income tax assets	45	53	98
Equity	5,625	-2,480	3,145
Full year income statement 2012			
CHF m	Reported	Adjustment	Adjusted
Operating income	8,576	-	8,576
Operating expenses	-7,686	-30	-7,716
Operating result (EBIT)	890	-30	860
Profit before tax	899	-89	810
Group profit	859	-87	772
Other comprehensive income	947	-534	413

Adjusted employee benefit expenses for 2012 increased by 89 million francs to 397 million francs. Of this amount, 338 million francs were recognized in the operating result and 59 million francs in the financial result. Because Post CH Ltd first became fully liable for taxation with effect from 1 January 2013, the impact in terms of tax is comparatively minor.

Deferred taxes

With its conversion from an institution under public law into a public limited company under special law, Swiss Post became fully subject to taxation from 1 January 2013. This means that profits in the monopoly sector that were previously tax exempt are now taxable. This necessitated an initial recognition of deferred tax assets and liabilities in units of Swiss Post as a public institution that were previously tax-exempt. As a result of the first full taxation of Swiss Post, current income taxes increased to 57 million francs.

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The initial recognition of deferred taxes as at 1 January 2013 for the most part resulted in deferred tax assets and, consequently, to a deferred negative income tax expense which was reflected in Group profit. The increase in deferred tax assets is primarily due to the following upward revaluations, which were undertaken in the course of the conversion to the commercial balance sheet:

Initial deferred taxes	1 January 2013		
	Temporary difference from revaluations	Deferred tax assets	Effect of initial recognition of deferred taxes on income statement
CHF m			
Property, plant and equipment (real estate)	1,300	286	286
Intangible assets (brands and goodwill)	3,000	520	520
Financial assets ("held to maturity")	300	66	66
Deferred taxes arising from temporary differences from revaluations			872

It was also necessary to show previously tax-exempt temporary differences in employee benefit obligations and in the provisions for deferred tax assets. These were mostly recorded in equity.

Other

The following standards and amendments only affect the information in the notes:

- IFRS 13: Fair Value Measurement
- Amendments to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 1: Presentation of Items of Other Comprehensive Income
- IFRS 12: Disclosure of Interests in Other Entities

These enhancements and amendments to the existing International Financial Reporting Standards and interpretations have no material impact on the earnings or the financial position of Swiss Post.

Realized losses on payment transactions are now shown as a deduction in income from financial services. They were previously reported under expenses from financial services.

Swiss Post now reports its segments based on the operating result before management, licence fee and net cost compensation. For this reason, the previous year's figures have been adjusted in accordance with IFRS 8.

On 1 January 2013, the presentation of the consolidated cash flow statement, including prior-year figures, was adjusted. A small number of minor reclassifications were undertaken to improve clarity.

Segment information

Segments Results									
CHF m									
Up to or as at 30.6.2013	PostMail	Swiss Post Solutions	Post Offices & Sales	Post Logistics	PostFinance ³	PostBus ⁴	Other ⁵	Consolidation	Group
Operating income									
from customers	1,288	253	392	582	1,180	396	65		4,156
from other segments	199	29	325	195	19	3	384	-1,154	-
Total operating income¹	1,487	282	717	777	1,199	399	449	-1,154	4,156
Operating result ¹	360	9	-60	124	350	54	58		895
Net financial income									-32
Net income from associates and joint ventures	1	-2	-	3	3	-	1		6
Profit before tax									869
Headcount ⁶	17,264	6,487	6,589	5,408	3,450	2,411	2,149		43,758
Up to or as at 30.6.2012									
Operating income									
from customers	1,398	243	510	547	1,165	376	53		4,292
from other segments	198	33	228	214	5	1	409	-1,088	-
Total operating income¹	1,596	276	738	761	1,170	377	462	-1,088	4,292
Operating result ^{1,2}	194	2	-147	73	292	18	-1		431
Net financial income ²									-19
Net income from associates and joint ventures	1	-2	-	5	2	0	0		6
Profit before tax									418
Headcount ⁵	18,260	6,598	6,697	5,524	3,470	2,262	2,152		44,963

1 Operating income and operating result by segment are now reported before management, licence fee and net cost compensation. Figures for the previous year have been adjusted.

2 Figures have been adjusted (see Notes to the Interim Report, Accounting changes).

3 From 1.1.2013, PostFinance Ltd also applies the Swiss Financial Market Supervisory Authority's Bank Accounting Guidelines (BAG). There are differences between the BAG and the IFRS results.

4 The PostBus segment is subject to the Passenger Transport Act (PBG), which provides for separate accounting regulations for franchised transport businesses (RKV). There are differences between the RKV and the IFRS results.

5 Includes service units (Real Estate, Information Technology, Corporate Procurement and Language Services) and management units (e.g. Human Resources, Finance and Communication).

6 Average expressed in terms of full-time equivalents (excl. trainees).

Significant changes in segment assets

As part of the conversion of Swiss Post from an institution under public law into a public limited company under special law and PostFinance into a public limited company regulated by FINMA, assets were moved from the Other segment to the PostFinance segment. However, the decline in customer deposits with PostFinance offset the positive impact of the shift. Compared to 31 December 2012, the segment assets recorded under Other decreased by 2,881 million francs, and those under PostFinance by 1,945 million francs.

Changes in the consolidated Group

Mergers

With effect from 1 January 2013, Archimbaud Frères SARL and Rochette Nord SARL were merged with Caporin Voyages SARL, based in Saint-Etienne, France.

With effect from 6 June 2013, Client Vela GmbH, based in Munich, was merged with Swiss Post Solutions GmbH, Bamberg.

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Acquisitions

On 28 February 2013, Swiss Post Solutions Ltd acquired Scalaris AG, a company headquartered in Opfikon, Switzerland. Through this acquisition, Swiss Post Solutions strengthens its horizontal business process outsourcing activities with forward-looking IT-based solutions. Scalaris AG operates in Switzerland and Germany and employs 90 staff.

Overall, the effect of this acquisition on the consolidated financial statements is not material in nature.

Other changes during the reporting period

On 1 January 2013, a share capital increase of 1.1 million euros was undertaken at Caporin Voyages SARL.

On 1 March 2013, FMC Insights Limited was renamed Swiss Post Solutions Ireland Limited, and on 6 March 2013 Swiss Post Solutions Holding SAS was renamed Swiss Post Solutions SAS.

On 30 April 2013, a share capital reduction of 32.1 million euros was undertaken at Swiss Post Solutions SAS, based in Paris.

CarPostal Riviera SAS, based in Menton, France, was founded on 29 May 2013.

As part of the conversion of Swiss Post from an institution under public law into a public limited company under special law, the following share capital increases were undertaken on 26 June 2013.

- PostFinance Ltd: around 2 billion francs
- Post CH Ltd: around 500 million francs
- Post Real Estate Ltd: around 100 million francs

IT ServiceHouse AG is in liquidation.

Information concerning receivables due from banks

In comparison with 31 December 2012, receivables due from banks declined by around one billion francs. Cash reserves remain high, and are mostly held at the SNB.

Information concerning financial assets

The fair value of assets classified as available for sale and derivative financial instruments was determined as follows:

Fair value of available-for-sale financial assets CHF m	30 June 2013			
	Total	Level 1	Level 2	Level 3
Bonds	2,971	1,270	1,701	–
Shares	586	585	1	–
Other	251	47	204	–
Total “available for sale”	3,808	1,902	1,906	–

Fair value of derivative financial instruments CHF m	30 June 2013			
	Total	Level 1	Level 2	Level 3
Positive fair values	97	–	97	–
Negative fair values	27	–	27	–

Level 1 Fair value is determined on the basis of quoted prices in the active market for the specific financial instrument. The market price at the balance sheet date is mandatory and may not be adjusted.

Level 2 Positions that are not traded on an active market are classified on the second level of the hierarchy. This method should always use recognized valuation techniques and a maximum of market data as model parameters. The valuations should also be reviewed regularly (back testing). Examples of fair values at the second level are market transactions for identical positions that have taken place recently or comparison values for similar positions under normal market conditions. Fair values calculated using the DCF method or option pricing models with model inputs based on market data (observable inputs) are also classified as level 2. For level 2 positions, the fair value must be adjusted if the market conditions have changed significantly since the last transaction.

Level 3 Fair value is determined using recognized valuation techniques and significant inputs specific to the company that are not observable in the market.

In the available-for-sale financial assets, five Swiss Post investments of a non-material nature that together amount to about 1 million francs are measured at cost. As at 31 December 2012, the investments are classified as level 3.

In the first half of 2013, available-for-sale financial assets of 76 million francs were reclassified from level 1 to level 2. In the same period, assets totalling 671 million francs were transferred from level 2 to level 1. For an asset to be classified as level 1, it must have an end-of-month price paid. The aforementioned reclassifications were undertaken because this requirement was not satisfied with regard to the financial assets in question. No financial assets were moved between the two levels in the prior-year period.

As at 30 June 2013, the fair value of HTM transactions stands at 51,612 million francs. The fair value is thus around 2.4 billion francs higher than the carrying amount (AMC value).

Gains and losses on the disposal and early repayment of available-for-sale financial assets are presented as net income from the disposal of available-for-sale financial assets (income from financial services). In the reporting period, they recorded a gain of 15 million francs (previous year: 2 million francs).

Gains and losses affecting net income from sales and from the measurement at fair value of derivative financial assets are stated in net trading income (income from financial services). In the reporting period, they recorded a net loss of less than 1 million francs (previous year: net loss of 3 million francs).

The following financial commitments exist in the most affected EU countries (the PIIGS nations):

Financial assets in the PIIGS nations Carrying amounts in CHF million	30.6.2013	31.12.2012	30.6.2012
Spain	640	669	694
Ireland	228	276	82
Italy	44	43	43
Greece	16	8	5
Portugal	–	0	0

The repayments due on prescribed dates in the first half of 2013 totalled 90 million francs, and were made on time.

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Changes in the Swiss Post employee benefits plan

A range of amendments to the Swiss Post employee benefits plan were approved in the first quarter of 2013. One of the most important of these was the reduction in the conversion rate from August 2013, which led to a reduction of 445 million francs in employee benefit obligations. In accordance with IAS 19 (revised), applicable since 1 January 2013, this positive effect is immediately recognized in full in profit or loss as a plan amendment gain. No events of this kind were recorded in 2012.

For the year 2013, the employee benefit expenses relevant to the operating result are expected to amount to –42 million francs, and the net interest expense recognized in the financial result is expected to be 59 million francs. The negative employee benefit expenses are primarily due to the effects associated with the aforementioned plan amendment for 2013.

Employee benefit expenses CHF m	1.1. to 30.06.2013	2013 (expected)
Total employee benefit expenses for period	–213	17
Staff costs	–246	–42
Financial expenses	33	59
Total revaluations recorded in other comprehensive income (OCI)	581	n.a.
Total employee benefit expenses	368	n.a.

Investment obligations

As at 30 June 2013, investment obligations totalled 261 million francs. This amount is essentially attributable to the PostParc project in Berne.

Seasonal nature

Swiss Post's business activity is affected by a small number of seasonal influences. These primarily include customer deposits in the PostFinance segment which stand at a high level at year-end. For various reasons (13th monthly salary payment, invoice receipts credited at year-end, etc.) both private and business customers hold a large amount of liquidity. To a lesser extent, this also applies to this Interim Report. The Christmas season has a positive impact on the logistics units, whereas the summer months are weaker.

Events after the reporting period

Prior to the approval of this Interim Report by Swiss Post's Board of Directors Audit & Risk Committee on 20 August 2013, no significant events occurred that would have resulted in adjustments to the carrying amounts of the Group's assets and liabilities.

No subsidiaries were acquired between 1 July and 20 August 2013.

Review Report to the Board of Directors

Swiss Post Ltd, Berne

Introduction

We have been engaged to review the accompanying consolidated balance sheet of Swiss Post Ltd as at 30 June 2013 and the related consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the 6-month period then ended, and a summary of significant accounting policies and selected explanatory notes (the consolidated interim financial statements) on pages 18 to 29. The Board of Directors is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements as at 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

KPMG AG

Orlando Lanfranchi
Licensed Audit Expert

Stefan Andres
Licensed Audit Expert

Gümligen-Berne, 20 August 2013

PostFinance Ltd

As part of the conversion of Swiss Post into a public limited company under special law, PostFinance was converted into a public limited company under private law. PostFinance Ltd was placed under the supervision of the Swiss Financial Market Supervisory Authority FINMA and granted a banking licence. From 1 January 2013, PostFinance Ltd therefore also applies the Swiss Financial Market Supervisory Authority's Bank Accounting Guidelines (BAG).

The following pages contain separate financial statements by PostFinance Ltd in accordance with the BAG guidelines.

Reconciliation of profit

The BAG valuation principles differ from the IFRS rules. The following table shows the reconciliation of profit as per BAG with profit as per IFRS:

PostFinance Ltd Reconciliation of profit CHF m	1.1 to 30.6 2013
PostFinance Ltd profit as per BAG	149
Amortization of revalued held-to-maturity financial assets	44
Lowest value principle for financial assets as per BAG	15
Realized gains from (earlier-than-scheduled) sales	10
Depreciation of revalued real estate	6
Amortization of goodwill	100
Valuation differences between Swiss GAAP ARR 16 and IAS 19	41
Deferred tax income as per IFRS due to full liability for taxation	579
PostFinance Ltd profit as per IFRS	944
Net financial income	6
Net income from associates/subsidiaries	-3
Income tax	-532
PostFinance segment operating result as per IFRS before fees and net costs	415
Management/licence fee/net cost compensation	-65
PostFinance segment operating result as per IFRS	350

The most important positions in the reconciliation of profit for the PostFinance segment in accordance with IFRS can be described as follows:

- Goodwill recognized as part of the conversion mentioned above is amortized to the sum of 200 million francs annually.
- The income taxes of -532 million francs include both deferred taxes (-579 million francs) and current income tax expenses of 47 million francs.
- Swiss Post now reports its segments based on operating result before management, licence fee and net cost compensation. For this reason, the reconciliation of profit includes an offset of 65 million francs on the operating result in accordance with IFRS.

Income statement

PostFinance Ltd Income statement	2013
CHF m	1.1 to 30.6
Interest and discount income	113
Interest and dividend income on financial assets	510
Interest expense	-141
Profit/loss on interest business subtotal	482
Commission income on lending business	46
Commission income on securities and investment business	19
Commission income on other services	299
Commission expenses	-292
Net service and commission income subtotal	72
Net trading income	76
Income from disposal of financial assets	9
Income from investments	1
Net income from real estate	27
Other ordinary income	81
Other ordinary expenses	-14
Other ordinary income subtotal	104
Operating income	734
Staff costs	-235
Non-staff costs	-222
Operating expenses	-457
Gross profit	277
Depreciation of fixed assets	-118
Valuation adjustments, provisions and losses	-6
Operating profit	153
Extraordinary income	42
Taxes	-46
Profit	149

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Balance sheet

PostFinance Ltd Balance sheet	
CHF m	30.6.2013
Assets	
Cash and cash equivalents	43,215
Receivables due from banks	5,161
Receivables due from customers	9,171
Mortgage receivables	1
Financial assets	53,393
Investments	298
Property, plant and equipment	927
Intangible assets	1,900
Prepaid expenses	772
Other assets	93
Total assets	114,931
Liabilities	
Amounts due to banks	3,763
Amounts due to customers as savings and investments	41,256
Other amounts due to customers	62,417
Medium-term notes	176
Deferred income	276
Other liabilities	94
Value adjustments and provisions	119
Share capital	2,000
General statutory reserves	4,682
Profit carried forward	-1
Profit	149
Total liabilities and equity	114,931

Until 31 December 2012, PostFinance Ltd engaged in no operational activities. The balances for the previous year are as follows: 31.12.2012 (30.6.2012): receivables due from banks 97,630 francs (97,349 francs), other assets 176 francs (-), share capital 100,000 francs (100,000 francs), retained earnings after appropriation of profits -2,194 francs (-2,651 francs), of which profit 361 francs (-96 francs).

PostFinance Ltd Off-balance sheet transactions	
CHF m	30.6.2013
Derivative financial instruments (contract volume)	5,139
Positive fair values	97
Negative fair values	27

Swiss Post Ltd
Viktoriastrasse 21
P.O. Box
3030 Berne
Switzerland

Tel. +41 58 338 11 11

www.swisspost.ch

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