

Swiss Post achieves encouraging result in difficult environment

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In the first half of 2015, Swiss Post generated normalized Group profit of 391 million francs (previous year: 370 million francs). At 504 million francs, normalized operating profit (EBIT) was up slightly year-on-year (previous year: 472 million francs). This increase is principally due to solid income on the financial and investment markets despite the ongoing low interest rate situation, as well as to good cost management.

In the first six months of 2015, Swiss Post achieved Group profit normalized to take account of one-off items of 391 million francs, which represents an increase of 21 million francs (previous year: 370 million francs). At 504 million francs, normalized operating profit (EBIT) is 32 million francs up on the previous year's figure (472 million francs). The improved result is principally due to solid income on the financial and investment markets, which offset lower interest income, as well as to good cost management. Operating income remained stable at 4,100 million francs. This represents a decline of 1 percent from the previous year's figure (4,142 million francs).

Markets make varying contributions to operating profit

The financial services market's normalized contribution to the result proved higher than in the first half of the previous year, whereas the contributions from the other markets declined. In the communication market, Swiss Post recorded a normalized operating profit (EBIT) of 137 million francs (previous year: 154 million francs). The decline in income at PostMail and Post Offices & Sales caused by lower volumes could not be offset, despite a reduction in expenses in all the units within this market. The decline in volumes of addressed letters decreased to 0.7 percent year-on-year. The volume of unaddressed items fell by 1.1

percent. Swiss Post Solutions' result remained stable.

In the logistics market, Swiss Post recorded a normalized operating profit (EBIT) of 65 million francs, virtually on a par with the previous year's level (66 million francs). Declines in sales in small consignment transport and warehousing, combined with lower income in the fuel business, were almost fully offset by higher parcel volumes and optimization of operating expenses. Parcel volumes increased by 2.2 percent year-on-year.

In the passenger transport market, Swiss Post recorded a normalized operating profit (EBIT) of 19 million francs (previous year: 25 million francs). A decline in revenue in Liechtenstein and the translation effect – the conversion of accounts managed in foreign currencies into the Group's reporting currency – could not be fully offset by additional services in Switzerland. Operating expenses increased slightly year-on-year. The number of kilometres covered by PostBus increased by 0.9 percent.

Lower interest income at PostFinance

PostFinance, which operates in the financial services market, achieved a normalized operating profit (EBIT) of 280 million francs, which represents an increase of 50 million francs year-on-year. Net interest income before impairment was down year-on-year due to low, and partly even negative, interest rates. Portfolio reversals of impairment on financial assets of 30 million francs had an equivalent positive effect on the result (previous year: portfolio impairment charges of 24 million francs). Transaction volumes on the foreign exchange markets rose sharply following the abandoning of the minimum euro exchange rate, resulting in a 39 million franc increase in

net trading income. Normalized staff costs rose by 12 million francs year-on-year due to increased employee benefit expenses.

Group profit affected by one-off items

In the first half of 2015, Swiss Post's financial result includes one-off items with a total net value of 14 million francs in terms of Group profit. The non-consideration (normalization) of the three one-off items allows comparison with the previous year and provides an accurate representation of the current operating business performance.

Challenges on the markets increase

Swiss Post expects the challenges resulting from the markets and technological change to grow. It is meeting these challenges by following a strategy of long-term, gradual growth, by further optimizing costs in a socially responsible manner and by pursuing market-driven pricing policies. Swiss Post depends on increases in profitability in all its markets and on solid profits.

Swiss Post expects to meet the financial goals of its owner again in 2015.

Group key figures

Key figures	Unit	First half 2015	First half 2014	Year 2014
Operating income	CHF m	4,100	4,142 ³	8,457
Operating profit (EBIT) ¹	CHF m	504 ²	472	803
As a % of operating income (EBIT return)	%	12.3	11.4	9.5
Group profit	CHF m	3912	370	638
Total assets	CHF m	121,662	125,347	124,671
Equity	CHF m	5,277	5,316	5,010
Cash flow from investing activities	CHF m	-404	-542	-369
Headcount at Swiss Post Group	FTEs ⁴	44,018	44,715	44,681

1 The operating profit corresponds to the result before non-operating financial income and taxes (EBIT).

2 Normalized figure

3 The figure has been adjusted (see Notes to the Group interim financial statements, Accounting

changes).

4 FTEs = Full-time equivalents. Average expressed in terms of full-time equivalents, excluding trainees.

PostFinance Ltd key figures

Key figures	Unit ¹	First half 2015	First half 2014	Year 2014
Number of customers	Thousands	2,946	2,908	2,938
Number of customer accounts	Thousands	4,810	4,682	4,752
Inflow of new money	CHF m	-4,433	923	2,839
Customer assets	CHF m	113,115	114,999	117,186
Customer assets in partner solutions	CHF m	7,614	6,708	7,125
Mortgages ²	CHF m	4,904	4,555	4,713
Loans to business customers (taken up)	CHF m	8,742	7,342	8,165
E-finance users	Thousands	1,657	1,582	1,624
Headcount	FTEs ³	3,528	3,410	3,454
Transactions processed	Millions, cumulative	499	486	996

1 At end of period (unless otherwise stated)

2 In cooperation with partner banks

3 FTEs = Full-time equivalents. Average expressed in terms of full-time equivalents. Headcount at PostFinance parent company

Selected key figures per segment (Group units)

	30 June 2015	Group units	Operating income (CHF m) ¹	Operating profit (CHF m) ^{1,2,7}
Communication market	-		2,465	137
Communication market		PostMail	1,389	184
Communication market		Swiss Post Solutions	300	6
Communication market		Post Offices & Sales	776	-53
Logistics market		PostLogistics	757	65
Financial services market		PostFinance ³	1,114	280
Passenger transport market		Postbus ⁴	416	19
Other ⁵	-		465	3
	30 June 2014	Group units	Operating income (CHF m) ¹	Operating profit (CHF m) ^{1,2}
Communication market	-		2,567	154
Communication market		PostMail	1,441	197
Communication market		Swiss Post Solutions	324	6
Communication market		Post Offices & Sales	802	-49
Logistics market		PostLogistics	765	66
Financial services market		PostFinance ³	1,091 ⁶	230
Passenger transport market		Postbus ⁴	418	25
Other ⁵	-		435	-3

1 Operating income and operating profit by segment are reported before management,

licence fee and net cost compensation.

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

3 PostFinance Ltd also applies the ARB accounting rules for banks (Accounting rules for banks, securities dealers, financial groups and conglomerates – ARB). There are differences between the ARB and the IFRS results.

4 In the field of regional public transport, PostBus Switzerland Ltd is subject to the DETEC ordinance on the accounting of licensed

businesses (RKV). There are differences between the RKV and the IFRS results.

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

6 The figure has been adjusted (see Notes to the Group interim financial statements, Accounting changes).

7 Normalized figures

Source: [Swiss Post](#)

