09

Interim Report
January to June 2009

SWISS POST

The key points in brief

Decline in operating income

Operating income declined by CHF 101 million year on year to CHF 4,275 million. This was due primarily to the difficult economic environment and the year-on-year decline in income from real estate disposals.

Fall in Group profit

It was not possible to reduce operating expenses (CHF 3,910 million; previous year: CHF 3,957 million) in line with the decline in income, mainly because of higher staff costs. This rise in costs was due, firstly, to real wage increases and, secondly, to a higher headcount. As a result, Group profit was down by around 16 percent to CHF 358 million.

Decline in economic value added

With the capital employed, Swiss Post generated economic value added of CHF 131 million, CHF 95 million less than in the prior-year period.

Equity still below target

After the appropriation of profit for 2008, equity amounted to CHF 3,063 million as at 30 June 2009. Swiss Post believes the Group needs an equity base of around CHF 3.7 billion (as at 31 December 2008).

Federal Council's targets expected to be met

In 2009, Swiss Post will again meet the financial targets set by its owner. However, Group profit, economic value added and return on sales will fall short of the prior-year figures.

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Preliminary comments
The amounts shown in the Interim 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.
The Interim Report is available in German, French and Italian.

Key for graphics and tables
- Current year
- Previous year
- Positive effect on earnings
- Negative effect on earnings

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

Trends in the environment

Overall economy

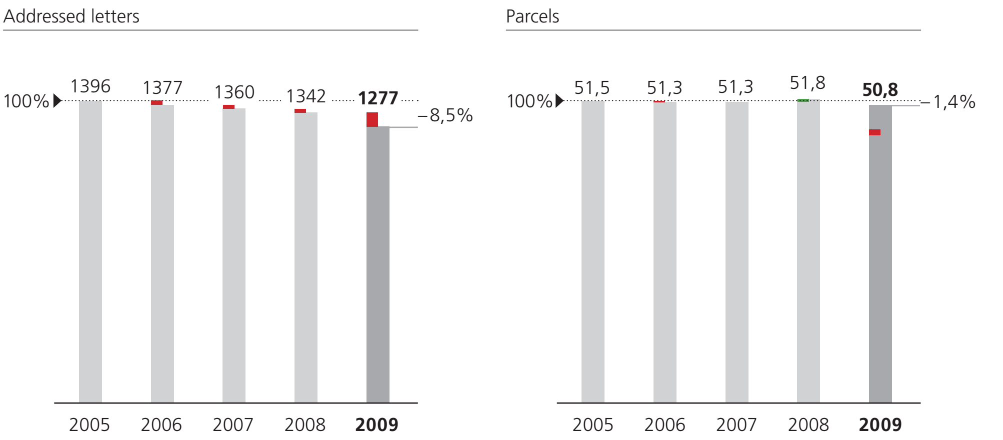
The global economic downturn worsened during the first half of the year. Economic output in the industrialized nations underwent a sharp and broad-based decline. Various indications point to a gradual recovery in the second half of the year. Although conditions on the money and financial markets have improved considerably, general economic conditions remain difficult. In Switzerland, too, the recession worsened during the first few months of 2009. The deteriorating state of the economy is reflected primarily in a rapid fall in capacity in use in the manufacturing industry, a continuing decline in output in the financial and insurance sector, and in key labour market indicators.

Customers and sectors

Logistics sector

Of the sectors in which Swiss Post operates, the logistics sector is characterized both nationally and internationally by increasing competition and price pressures. Customers are price-sensitive and have high expectations with regard to quality. In foreign logistics markets, companies are introducing novel business models.

Group | Volume trend
2005 = 100 %, indexed trend as at 30.06., number in millions



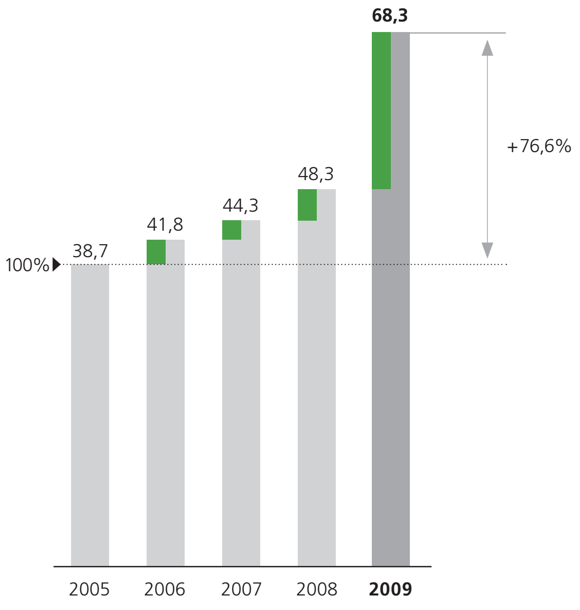
The Swiss letters market remains in decline. The downward trend in the volume of PostMail products being mailed is illustrative of substitution, i.e. the replacement of physical items with electronic information media, and the efforts being made by important Swiss Post customers to optimize their mailings. Owing to the current economic environment, the year-on-year decline in addressed letters as at 30 June was a sharper-than-expected 4.8 %. The volume of delivered newspapers is being negatively impacted by the success of free newspapers and competition from other delivery organizations offering early delivery.

Despite innovative business customer solutions (such as Innight, catalogues, DirectoryLog, VinoLog and RepairLogistics), the economic environment made it impossible to maintain parcel volumes, which were around two percent lower compared with the previous year. Adjusted for the different number of working days, the decline was only a little over one percent, a gratifying figure when compared with Swiss Post's competitors.

Financial market

Although the financial markets are showing the first signs of stabilizing and customers' uncertainty towards internationally orientated banks will presumably wane as a result, PostFinance once again recorded a strong inflow of customer deposits. This proves that Swiss Post is accepted as a financial services provider and as "the other bank" even though PostFinance is still barred from operating as a lender. As at 30 June 2009, average customer deposits amounted to CHF 68,339 million, a rise of around 39 percent compared with 31 December 2008.

Group | Average customer deposits (PostFinance)
2005 = 100 %, as at 30.06., CHF billion



Passenger transport

Road-based passenger transport is expected to see sustained growth, albeit combined with mounting price pressures and increased tendering of routes with agreements on targets and services. Large foreign providers are trying to enter Switzerland's public transport sector, which is still organized on a small scale and densely networked. PostBus, meanwhile, is also operating beyond the Swiss border (in France and Liechtenstein). PostBus was able to increase the number of kilometres travelled compared with the previous year, thereby underlining its competitiveness in new invitations to tender for routes in Switzerland and abroad.

Strategy

In order to safeguard its success and core businesses in the marketplace for the long term, Swiss Post is continuing to pursue its strategy of enhancing its service and sales capabilities, its productivity and its competitiveness. Service capability will be achieved by developing the basic service, participating in shaping the framework within which Swiss Post operates and acting in a socially responsible (sustainable) manner. Sales capability will be achieved by developing the service offering, operating a competitive pricing policy and offering high-quality customer service. A progressive human resources policy and employee motivation will ensure productivity. Important initiatives to boost competitiveness include fostering innovation, achieving profitable growth and leveraging potential efficiency gains.

Scope of consolidation

In January, Swiss Post International Holding AG acquired control of primeMail GmbH without acquiring the existing non-controlling interests. The entity was fully consolidated as of that time. In April, Swiss Post acquired 70 percent of the shares in Dispodrom AG. Dispodrom AG is a leading logistics company for visual and audio media in Switzerland.

Group | Effects of expansion

H1 2009 CHF million	Operating income	Operating expenses	Operating result
primeMail GmbH	23	22	1
Dispodrom AG	2	2	0
	25	**24**	**1**

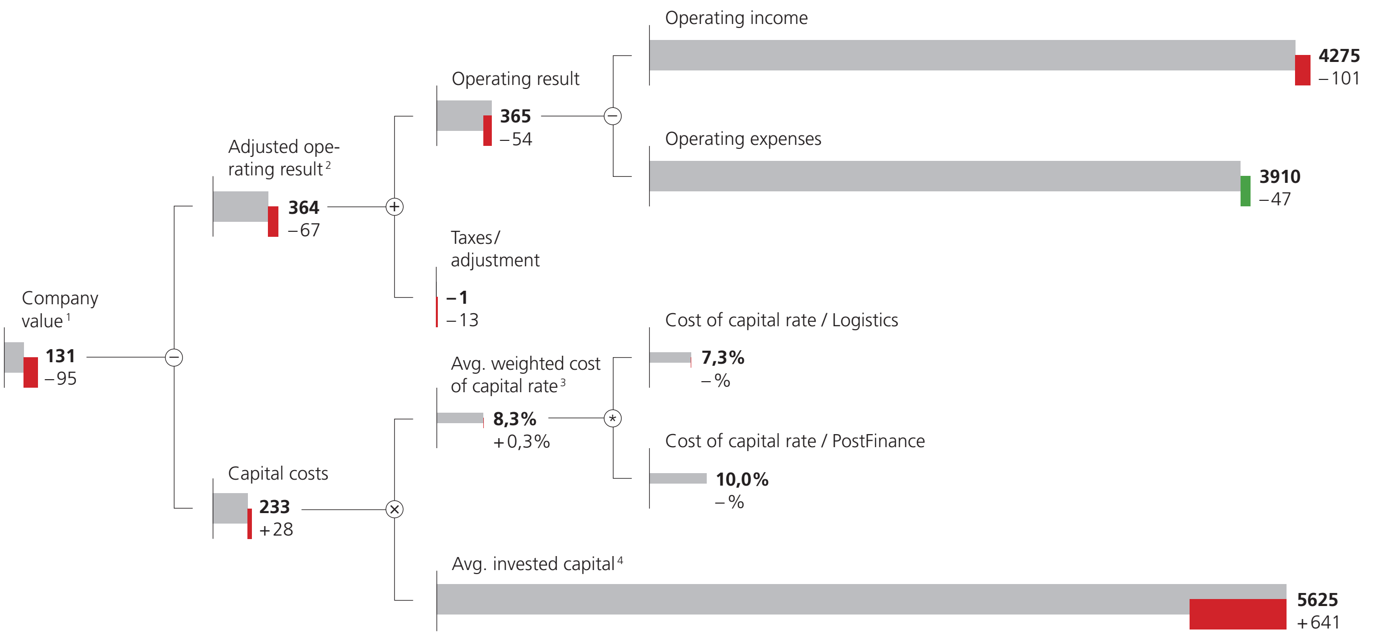
Finance

Economic value added

In accordance with the Federal Council's financial targets, Swiss Post is required to increase its enterprise 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. For the PostFinance segment, the calculation is based not on average invested capital, but on the minimum capital requirements in accordance with Basel II that are standard in the banking sector and a cost of capital of 10 percent.

Swiss Post's economic value added is included as a key figure in the calculation of the variable performance component of management remuneration. In the first half of 2009, Swiss Post met the Federal Council's financial expectations and generated economic value added of CHF 131 million, around 42 percent less than in the previous year (CHF 226 million). The reduction in value added was due to the lower adjusted operating result and the higher cost of capital resulting from the increase in average invested capital. This increase was due mainly to the sharp rise in customer deposits in the PostFinance segment.

Group | Company value
H1 2009 with previous year comparison
CHF million, percent



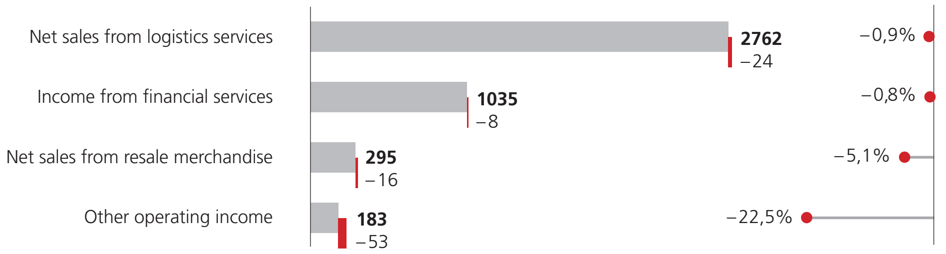
(*) Weighted with the average invested capital in the logistics units and for PostFinance.
1 Value added, previous year's value adjusted.
2 Net operating profit after tax (NOPAT).
3 Corresponds to weighted average cost of capital (WACC) for logistics units and equity cost of capital for PostFinance.
4 At PostFinance corresponds to average equity in accordance with Basel II (CHF 2,080 m) and at logistics units to the average net operating assets (NOA) of CHF 3,545 m.

Consolidated income statement

Operating income

Operating income reached CHF 4,275 million in the first half of 2009 (previous year: CHF 4,376 million). Net sales from logistics services and resale merchandise declined due to the economic environment. The fall in income from financial services is attributable to the low level of market interest rates. The year-on-year decline in operating income is the result of lower income from real estate disposals in 2009.

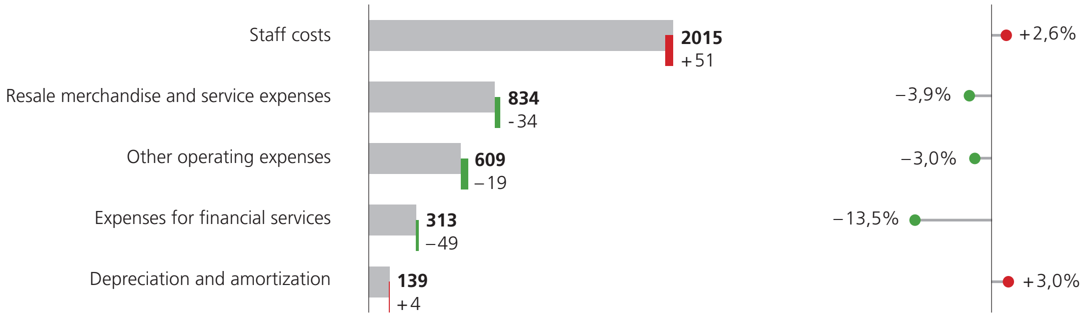
Group | Operating income
H1 2009 with previous year comparison
CHF million, percent



Operating expenses

The increase in staff costs was due to inflation, the higher headcount at Strategic Customers & Solutions as a result of acquisitions and the increase in social security and employee benefit expenses. Resale merchandise, service and other operating expenses declined year on year, due mainly to lower fuel prices and the smaller order book in the Strategic Customers & Solutions unit. The sharp decline in interest rates more than offset the increase in financial service expenses resulting from capital growth and impairment losses in the amount of CHF 36 million. Depreciation and amortization expense rose due to the increase in assets resulting from the completion of the new letter sorting centres.

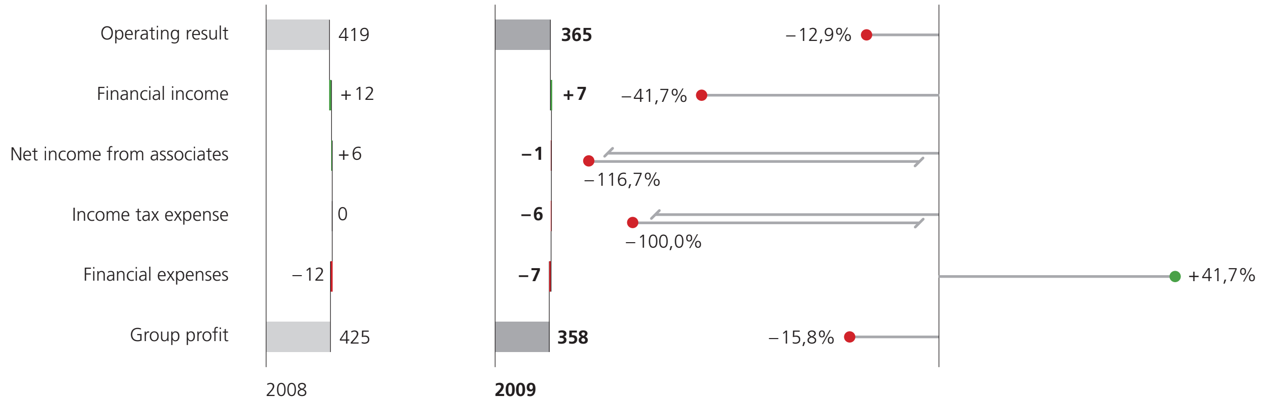
Group | Elements of operating expenses
H1 2009 showing change from previous year
CHF million, percent



Operating result

Mainly because of higher staff costs, it was not possible to limit the decline in the operating result in line with the decline in income. As a result of the above-mentioned changes in expenses and the decline in operating income due to the economic environment, the operating result was around 13 percent lower year on year at CHF 365 million.

Group | Reconciliation of operating result to Group profit
H1 2008 and 2009 showing change from previous year
CHF million, percent



Segment results

Almost all product-carrying segments contributed to the positive operating result. The result of Post Offices & Sales comprised income from other brand-name items and the costs not covered through internal charging.

Group | Segment results
H1 2009 and prior-year period
CHF million,
percent or full-time equivalents

	Operating income		Operating result [1,2]		Margin [3]		Headcount [4]	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
PostMail [5]	1422	1 461	127	134	8,9	9,2	16 992	17 517
PostLogistics [5]	726	751	15	18	2,1	2,4	5 457	5 240
Swiss Post International	522	525	29	16	5,6	3,0	1 278	1 264
Strategic Customers & Solutions	325	337	–10	8		2,4	6 844	5 545
Post Offices & Sales [5]	660	656	–67	–38			6 956	7 004
PostFinance	1 040	1 048	198	154			2 973	2 854
PostBus	314	297	24	13	7,6	4,4	1 628	1 548
Other [6]	479	526	49	114			2 409	2 337
Consolidation	–1 213	–1 225						
	4 275	**4 376**	**365**	**419**			**44 537**	**43 309**

1 Prior-year figures adjusted due to changes in the scope of consolidation.
2 Operating result corresponds to earnings before net non-operating financial income/expense and taxes (EBIT).
3 PostFinance uses the indicator return on equity; negative margins are not reported.
4 Average expressed in terms of full-time equivalents.
5 The results of PostMail, PostLogistics and Post Offices & Sales are shown after charging process costs relating to acceptance, transport and delivery services.
6 Includes Real Estate, Information Technology, InfraPost AG, Corporate Purchasing, Corporate Security, Philately and central Group functions.

PostMail

In the first half of 2009, PostMail generated income of CHF 1,422 million (previous year: CHF 1,461 million). The decline in sales resulting from substitution by electronic media and cost-cutting by customers continued and was exacerbated by negative economic growth. The introduction of the new letter-processing processes (REMA) enabled PostMail to achieve significant savings. It therefore generated an operating result of CHF 127 million, just CHF 7 million less than in the prior-year period. In the first half of the year, the change to internal charging for acceptance services resulted in the reallocation of earnings of CHF 11.5 million from PostMail (–) to Swiss Post International (+). The price reductions agreed with the price watchdog will not have a negative impact on income until the second half of the year.

PostLogistics

All PostLogistics units were adversely affected by the current economic environment and the upward trend in costs, mainly as a result of wage inflation. The sharpest drops in the first half of 2009 were seen in Small Consignments, Warehousing and Courier & Customer Solutions, all units exposed to the market. The Parcels unit, on the other hand, remained stable.

Swiss Post International

Thanks not least to the favourable effects of foreign exchange rates, Swiss Post International was able to maintain sales at the prior-year level despite the economic crisis and even though sales volumes fell sharply, particularly in import and export operations in Switzerland. Profit margins were up slightly and operating profit up sharply year on year. The rise was due mainly to the aforementioned reallocation of earnings (see PostMail) resulting from the change to internal charging (H1 2009: CHF + 11.5 million) However, in a difficult economic environment, the SPI companies were also able to lift operating income.

Strategic Customers & Solutions

In the first half of 2009, the difficult economic environment had a negative impact on the companies in the SKL unit, reducing EBIT by around CHF 18 million year on year. Direct Mail and Cards in particular were hit by a sharp decline (CHF – 9.8 million). In addition, the result of the Document Solutions companies was depressed by high start-up costs arising from customer acquisitions. The newly acquired companies continued to make a negative contribution in 2009 due to start-up costs arising from new projects in France. A positive trend was seen at Document Solutions USA, Switzerland and Italy, where EBIT rose 30.1 percent year on year. The E-Business Solutions unit performed significantly better than in the previous year.

Post Offices & Sales

Operating income rose by CHF 4 million year on year, with financial services (e.g. account openings) and other brand-name items mostly more than offsetting the declines in volume of some CHF 10 million. Operating expenses increased by CHF 33 million compared with the previous year. Despite the reduction in full-time equivalents, staff costs were up by CHF 14 million due mainly to wage inflation. Resale merchandise expenses increased by around CHF 3 million due to the level of sales. Other operating expenses rose by CHF 16 million due, among other things, to the recognition of provisions as a result of the implementation of network optimization measures. The result of Post Offices & Sales deteriorated by CHF 29 million year on year.

PostFinance

PostFinance posted sharp growth again in the first half of 2009. It gained 65,584 new customers and opened 136,144 new accounts. With the inflow of new funds reaching around CHF 18 billion, total average customer deposits rose to a gratifying CHF 71 billion. At the end of the first six months, the operating result was sharply up on the first half of 2008 at around CHF 200 million (increase of 28 percent). A professional and low-risk investment policy kept writedowns at a low level of around CHF 36 million (mostly equities) even though PostFinance has to invest over half of its customer deposits abroad. Thanks to the sustained growth, PostFinance created 84 full-time positions across Switzerland.

PostBus

Due to the further expansion of the offering, operating income topped the prior-year figure by almost CHF 17 million. Of this, roughly CHF 14 million was generated in Switzerland and almost CHF 2 million abroad. Of the year-on-year rise in operating expenses, around CHF 3 million stemmed from Switzerland and almost CHF 2 million resulted from acquisitions abroad. While operating income in Switzerland rose by around six percent, operating expenses showed a disproportionately small rise of two percent.

Other

The operating result was down on the previous year due to higher staff costs as a result of inflation and lower income from real estate disposals.

Cash flow and investments

The decline in cash flow is attributable mainly to the lower operating result and the reduced level of property, plant and equipment disposals.

Overall, investments in property, plant and equipment (CHF 130 million), intangible assets (CHF 17 million) and equity investments (less than CHF 1 million) were CHF 33 million lower year on year. The total volume of investments in the first half of 2009 was once again financed from funds generated internally.

Group | Investments
H1 2009 showing change from previous year
CHF million, percent

1 Cash flow before appropriation of profit

Consolidated statement of financial position

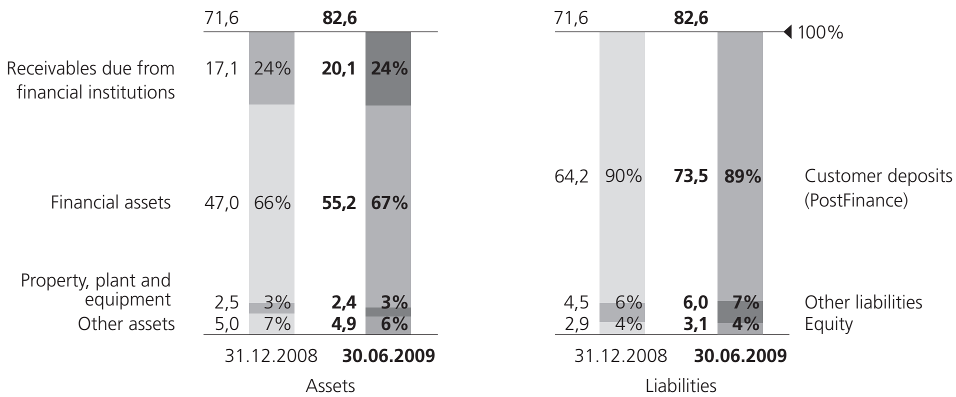
Financial assets

Financial assets rose by around CHF 8.2 billion compared with the end of 2008. This change was due to the increase in customer deposits.

Property, plant and equipment

The carrying amount of property, plant and equipment changed only marginally compared with 31 December 2008. This was due to the offsetting effect between investments and depreciation charges.

Group | Structure of total assets
As at 31.12.2008 and 30.06.2009
CHF billion



Customer deposits

Over the last six months, customer deposits at PostFinance have risen by CHF 9,246 million to CHF 73,450 million. As at 30 June 2009, customer deposits accounted for around 89 percent of the Group's total assets.

Other equity and liabilities (Provisions)

Provisions (including employee benefit obligations) fell by CHF 380 million. This was due primarily to the reduction in employee benefit obligations of CHF 353 million, which, in turn, was attributable mainly to the payment of CHF 250 million made through the appropriation of profit for 2008. In the current financial year, a further CHF 75 million was paid into the employer's contribution reserves.

Equity

Consolidated equity as at 30 June 2009 was calculated net of the appropriation of profit for 2008. Reported equity is still below the equity base targeted for a logistics and financial services group. The equity base required as at the end of the first half of 2009 would be around CHF 3.7 billion.

Outlook

In the second half of the year, the Swiss National Bank expects production in the eurozone to stabilize and positive growth rates to be achieved in the USA and Japan. If this scenario does indeed play out, it is likely that Switzerland's goods exports will gradually stabilize. Investment in construction should even pick up slightly. However, the other components of domestic end demand are expected to continue to soften. For 2009 as a whole, the Swiss National Bank is still predicting a decline in GDP of 2.5 to 3 percent.

Against this backdrop, the economic environment is likely to remain difficult throughout the current financial year. Furthermore, the price reductions that have been agreed with the price watchdog and already communicated will depress the result in the second half of the year. This outlook, coupled with the successful trend of the past four years, should not deter Swiss Post from adhering to and rigorously implementing its defined strategy given the backdrop of increasingly fierce competition, persistent substitution effects, customers' efforts to optimize their mailings and a still-inadequate equity base. Scenarios involving faster market liberalization, calls for price reductions, substantial profit remittances, the inadequate funding level of the Swiss Post pension fund and a continuing decline in volumes also force Swiss Post to maintain its chosen course so that the effect of measures it has introduced with an impact on the bottom line is not neutralized.

Group

Statement of comprehensive income

Group | Statement of comprehensive income

CHF million	H1 2009	H1 2008	2008
Net sales from logistics services	2 762	2 786	5 584
Net sales from resale merchandise	295	311	635
Income from financial services	1 035	1 043	2 177
Other operating income	183	236	584
Total operating income	**4 275**	**4 376**	**8 980**
Staff costs	–2 015	–1 964	–3 873
Resale merchandise and service expenses	–834	–868	–1 727
Expenses for financial services	–313	–362	–880
Other operating expenses	–609	–628	–1 409
Depreciation and amortization	–139	–135	–279
Total operating expenses	**–3 910**	**–3 957**	**–8 168**
Operating result	**365**	**419**	**812**
Financial income	7	12	25
Financial expenses	–7	–12	–22
Net income from associates	–1	6	10
Profit before tax	**364**	**425**	**825**
Income tax expense	–6	0	0
Group profit	**358**	**425**	**825**
Group profit attributable to			
Swiss Confederation (owner)	357	424	823
Non-controlling interests	1	1	2
Other comprehensive income			
Change in fair value reserves	43	–49	–141
Change in hedging reserves	–6	–10	30
Change in currency translation differences	11	–8	–25
Total other comprehensive income	**48**	**–67**	**–136**
Total comprehensive income	**406**	**358**	**689**
Total comprehensive income attributable to			
Swiss Confederation (owner)	405	357	687
Non-controlling interests	1	1	2

Statement of financial position

Group | Statement of financial position

CHF million	30 June 2009	31 Dec. 2008	30 June 2008
Assets			
Cash	2058	2341	2120
Receivables due from banks	20173	17066	10963
Interest-bearing amounts due from customers	126	105	109
Trade accounts receivable	1066	1098	1093
Other receivables	1057	1056	1026
Inventories	82	80	78
Non-current assets held for sale	40	16	9
Financial assets	55186	47008	44445
Investments in associates	31	42	38
Property, plant and equipment	2410	2460	2345
Intangible assets	273	261	233
Deferred income tax assets	69	70	67
Total assets	**82571**	**71603**	**62526**
Equity and liabilities			
Customer deposits (PostFinance)	73450	64204	52819
Other financial liabilities	2187	364	2743
Trade accounts payable	766	835	804
Other liabilities	1046	900	1071
Provisions	406	433	496
Employee benefit obligations	1642	1995	2051
Current income tax liabilities	0	4	2
Deferred income tax liabilities	11	11	13
Total liabilities	**79508**	**68746**	**59999**
Endowment capital	1300	1300	1300
Capital reserves	1881	1366	1366
Retained earnings	–26	67	–332
Reserves for self-insurance	-	265	265
Fair value reserves	–107	–150	–58
Hedging reserves	25	31	–9
Currency translation reserves	–15	–26	–9
Equity attributable to the owner	**3058**	**2853**	**2523**
Non-controlling interests	5	4	4
Total equity	**3063**	**2857**	**2527**
Total equity and liabilities	**82571**	**71603**	**62526**

Statement of changes in equity

Group | Statement of changes in equity CHF million	Endowment capital	Capital reserves	Retained earnings [1]	Reserves for self-insurance	Fair value reserves	Hedging reserves	Currency translation reserves	Equity attributable to the owner	Non-controlling interests	**Total**
Balance at 1 Jan. 2008	**1300**	**1116**	**–206**	**265**	**–9**	**1**	**–1**	**2466**	**4**	**2470**
Group profit			**424**					**424**	**1**	**425**
Decrease in fair value reserves for available-for-sale financial assets					–41			–41		–41
Gains/losses transferred to profit or loss due to disposal of financial assets					–1			–1		–1
Amortization of fair value reserves for financial assets reclassified as held to maturity					–7			–7		–7
Change in unrealized gains/losses on hedging reserves for cash flow hedges (net)						40		40		40
Realized gains/losses transferred to profit or loss from cash flow hedges						–50		–50		–50
Change in currency translation reserves							–8	–8	–	–8
Total other comprehensive income					**–49**	**–10**	**–8**	**–67**		**–67**
Total comprehensive income			**424**		**–49**	**–10**	**–8**	**357**	**1**	**358**
Change in non-controlling interests									0	0
Dividends			–550					–550	–1	–551
Capital contribution		250	–					250	–	250
Balance at 30 June 2008	**1300**	**1366**	**–332**	**265**	**–58**	**–9**	**–9**	**2523**	**4**	**2527**
Balance at 1 Jan. 2009	**1300**	**1366**	**67**	**265**	**–150**	**31**	**–26**	**2853**	**4**	**2857**
Group profit			**357**					**357**	**1**	**358**
Increase in fair value reserves for available-for-sale financial assets					40			40		40
Gains/losses transferred to profit or loss due to disposal of financial assets					1			1		1
Amortization of fair value reserves for financial assets reclassified as held to maturity					2			2		2
Change in unrealized gains/losses on hedging reserves for cash flow hedges (net)						–61		–61		–61
Realized gains/losses transferred to profit or loss from cash flow hedges						55		55		55
Change in currency translation reserves							11	11	–	11
Total other comprehensive income					**43**	**–6**	**11**	**48**		**48**
Total comprehensive income			**357**		**43**	**–6**	**11**	**405**	**1**	**406**
Change in non-controlling interests									2	2
Dividends			–450					–450	–2	–452
Capital contribution and reclassification		515	–	–265				250	–	250
Balance at 30 June 2009	**1300**	**1881**	**–26**	**–**	**–107**	**25**	**–15**	**3058**	**5**	**3063**

1 Includes initial recognition under IAS 19 "Employee Benefits" of employee benefit obligations of CHF 3,658 million at 1 January 2002.

Statement of cash flows

Group | Statement of cash flows
CHF million

	H1 2009	H1 2008	2008
Profit before tax	364	425	825
Depreciation and amortization	139	135	279
Net gains on disposal of property, plant and equipment	–19	–61	–88
Net writedowns of financial assets	36	22	188
Changes in fair value of financial assets	–20	126	291
Net (decrease) in provisions	–131	–85	–200
Other net financial income/(expense)	4	–8	2
Other non-cash income/(expense)	0	–6	–11
Change in net current assets:			
Decrease/(increase) in receivables	71	–124	–85
(Decrease)/increase in liabilities	–98	2	13
(Increase)/decrease in other non-interest-bearing current assets	–2	4	0
Change in items from financial services:			
Decrease in receivables due from banks (term of 3 months or more)	262	60	1 657
(Increase) in financial assets	–8 152	–3 196	–6 148
Change in customer deposits (PostFinance)/interest-bearing amounts due from customers	9 231	1 334	12 725
Change in other receivables/liabilities from financial services	1 936	1 355	–1 154
Income tax paid	–7	–7	–13
Net cash from/used in operating activities	**3 614**	**–24**	**8 281**
Purchases of property, plant and equipment	–130	–159	–447
Purchases of intangible assets (excl. goodwill)	–17	–4	–26
Payments to acquire subsidiaries, net of cash acquired	0	–17	–41
Payments to acquire non-controlling interests	0	0	–2
Proceeds from disposal of property, plant and equipment	55	105	153
Proceeds from disposal of shares in subsidiaries	-	23	-
Proceeds from disposal of (payments to acquire) other (non-operating) financial assets (net)	–15	12	9
Interest received (excl. financial services)	14	17	23
Net cash used in investing activities	**–93**	**–23**	**–331**
Increase/(decrease) in other financial liabilities	14	–42	–116
Interest paid	–3	–4	–7
Transfer from profit available for appropriation to Swiss Post pension fund	–250	–250	–250
Dividends paid to the owner	–200	–300	–300
Dividends paid to non-controlling interests	–2	–2	–2
Net cash used in financing activities	**–441**	**–598**	**–675**
Change in cash and cash equivalents	**3 080**	**–645**	**7 275**
Cash and cash equivalents at 1 January	18 503	11 228	11 228
Cash and cash equivalents at end of the reporting period	**21 583**	**10 583**	**18 503**
Cash and cash equivalents include:			
Cash	2 058	2 120	2 341
Receivables due from banks with an original term of less than 3 months	19 525	8 463	16 162
Cash and cash equivalents at end of the reporting period	**21 583**	**10 583**	**18 503**

Notes to the Interim Report

Basis of preparation

The consolidated interim financial statements of Swiss Post Group have been prepared in accordance with IAS 34 "Interim Financial Reporting". The same accounting policies have been applied as in the 2008 Financial Report. New Standards are not early adopted.

Various new and revised International Financial Reporting Standards (IFRSs) and Interpretations are effective from the 2009 reporting period onwards. Only those new Standards that are relevant for Swiss Post are listed below. Overall, however, their impact on Swiss Post Group is insignificant.

Standard / Interpretation		Effects on the consolidated financial statements of Swiss Post
IAS 1 rev.	Presentation of Financial Statements (effective from 1 January 2009)	New or more precise terms for individual components of the financial statements. Where prior-year figures have been restated retrospectively or items in the financial statements reclassified, an additional statement of financial position must be presented as at the beginning of the comparative period.
IAS 23 rev.	Borrowing Costs (effective from 1 January 2009)	Capitalization of borrowing costs during acquisition, construction or production to the extent that these are directly attributable to the qualifying asset.
IFRS 7 amend.	Financial Instruments: Disclosures (effective from 1 January 2009)	Enhanced disclosures about fair value measurements and liquidity risk.
IFRS 8	Operating Segments (effective from 1 January 2009, supersedes IAS 14, Segment Reporting)	The Standard requires the management approach to segment reporting. Swiss Post has been using this approach in its segment reporting since as far back as 2002.

Accounting changes

Changes in parameters for employee benefits (IAS 19)
With retroactive effect from 1 January 2009, pension indexation was reduced from 0.5 percent to zero percent. At the same time, the parameters under the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) of 2005 were used to calculate employee benefit expenses.

Resale merchandise, service and other operating expenses
On 1 January 2009, the amended accounting guidelines came into effect in the Strategic Customers & Solutions segment. This resulted in a reclassification out of other operating expenses and into resale merchandise and service expenses. The prior-year amounts were adjusted accordingly.

Equity
When operations commenced at Swiss Post Insurance AG on 1 January 2009, the majority of the self-insurance reserves in equity ceased to be valid. An amount of CHF 265 million was therefore reclassified into capital reserves.

Segment information

Segments | Results CHF million Up to or at 30 June 2009	PostMail	Post-Logistics	Swiss Post International	Strategic Customers & Solutions	Post Offices & Sales	PostFinance	PostBus [1]	Other [2]	Consoli-dation	Group
Operating income										
with customers	1270	546	520	296	219	1035	313	76	–	4275
with other segments	152	180	2	29	441	5	1	403	–1213	–
Total operating income	**1422**	**726**	**522**	**325**	**660**	**1040**	**314**	**479**	**–1213**	**4275**
Operating result	127	15	29	–10	–67	198	24	49		365
Headcount [3]	16992	5457	1278	6844	6956	2973	1628	2409		44537
Up to or at 30 June 2008										
Operating income [4]										
with customers	1297	578	523	308	213	1043	297	117	–	4376
with other segments	164	173	2	29	443	5	–	409	–1225	
Total operating income	**1461**	**751**	**525**	**337**	**656**	**1048**	**297**	**526**	**–1225**	**4376**
Operating result [4]	134	18	16	8	–38	154	13	114		419
Headcount [3,4]	17517	5240	1264	5545	7004	2854	1548	2337		43309

1 The PostBus segment is subject to the Railways Act (EBG), which provides for separate accounting regulations for franchised transport businesses (REVO). There are differences between REVO and IFRSs.
2 Includes Real Estate, Information Technology, Service House, Corporate Purchasing, Corporate Security, Philately and central Group functions.
3 Average expressed in terms of full-time equivalents (excl. trainees).
4 Prior-year amounts adjusted due to intra-Group reallocations.

Significant changes in segment assets

The segment assets of PostFinance increased by CHF 11,125 million compared with 31 December 2008 due to the strong inflow of customer deposits.

Changes in the scope of consolidation

Mergers

In January 2009, DocumentServices AG was merged with Swiss Post Solutions AG, MailSource France SAS was merged with Swiss Post Solutions SAS Paris, IMS Europe AB was merged with Swiss Post International Sweden AB (now Swiss Post International Scandinavia AB) and Anza Security GmbH was merged with Secure Post AG.

Entities renamed

In the first quarter of 2009, Global Business Services Plus SAS based in Paris was renamed Swiss Post Solutions Holding SAS, Global Business Services Plus France SAS, also based in Paris, was renamed Swiss Post Solutions SAS and Global Business Services Plus based in Waltershausen was renamed Swiss Post Solutions GmbH Waltershausen.

In June 2009, Swiss Post International Sweden AB based in Stockholm was renamed Swiss Post International Scandinavia AB.

Entities established

In the first half of 2009, Swiss Post Solutions GmbH was established in Pulsnitz, Germany and Car Postal Mâcon SAS was established in France.

Acquisitions

In January 2009, Swiss Post Deutschland Holding GmbH acquired control of PrimeMail GmbH based in Hamburg. The company is therefore now fully consolidated. In addition, the interest in Swiss Post Porta a Porta S.p.A. in Milan was increased by 10 percent to 70 percent.

In April 2009, Swiss Post acquired 70 percent of the shares in Dispodrom AG based in Schlieren, near Zurich.

In the case of the above-mentioned acquisitions, both the purchase price and the effects on the results of operations and Group result are insignificant for Swiss Post. The following assets and liabilities were newly consolidated following the acquisition of subsidiaries, based on provisional amounts:

Group | Changes in the scope of consolidation H1 2009 CHF million	**Total fair values**[1]	**Acquired carrying amounts before takeover**[2]
Receivables	33	33
Inventories	0	0
Property, plant and equipment, intangible assets and investments	1	1
Other financial liabilities	0	0
Trade accounts payable	0	0
Provisions and other liabilities	–25	–25
Fair value of net assets	**9**	**9**
Goodwill	3	
Acquisition costs	**12**	
Cash acquired	–9	
Purchase price payments falling due at a later date (earn-outs)	–3	
Payment of liabilities from acquisitions in previous years	0	
Net cash outflow for acquisitions	**0**	

1 Full consolidation of PrimeMail GmbH, acquisition of Dispodrom AG
2 In accordance with International Financial Reporting Standards (IFRSs).

Investment obligations

Investment obligations have increased by around CHF 17 million since the end of 2008. As at 30 June 2009, they amounted to around CHF 94 million. This increase relates to the expansion of the PostBus vehicle fleet.

Seasonal nature

With a few exceptions, Swiss Post's business activities are not affected by significant seasonal influences. These exceptions primarily include customer deposits (PostFinance) in the Financial Services segment, which at year-end stand at a high level. 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 the half-yearly financial statements. The Christmas season has a positive impact on the logistics units.

Events after the reporting period

Prior to the approval of this Interim Report by the Board of Directors on 24 August 2009, no significant events occurred that either would have resulted in adjustments to the carrying amounts of the Group's assets and liabilities or would have to be disclosed.

Acquisitions of subsidiaries between 1 July and 24 August 2008

On 1 July 2009, PostLogistics acquired 100 percent of IT ServiceHouse AG in Niederwangen, near Berne and Dintikon (second office), which specializes in repair management and similar customer services for PC and printer manufacturers. The company employs around 100 people and will continue to operate independently.

Both the purchase price and the effects on the consolidated financial statements are insignificant.

Group auditors' report

Review Report to the Board of Directors of

Swiss Post, Berne

Introduction
We have been engaged to review the accompanying consolidated balance sheet of Swiss Post as at June 30, 2009 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the 6-month period then ended, and a summary of significant accounting policies and other explanatory notes (the consolidated interim financial statements) on pages 12 to 18. 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 these 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 statements 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 ac-companying consolidated interim financial information as at June 30, 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

KPMG AG

Christoph Andenmatten	Stefan Andres
Licensed Audit Expert	Licensed Audit Expert

Gümligen-Berne, August 24, 2009

Additional information about PostFinance

The following financial statements of PostFinance were prepared in accordance with the principles of IFRS segment reporting and correspond to the PostFinance segment. Intra-Group transactions with other segments (including services purchased by Post Offices & Sales and PostMail) have not been eliminated.

Income statement

PostFinance | Income statement CHF million	**H1 2009**	H1 2008	2008
Interest income			
Interest income on receivables due from banks	2	22	40
Interest income on securities lending and reverse-repurchase transactions	22	71	142
Interest income on interest-bearing amounts due from customers	4	5	9
Interest and dividend income on FVTPL[1]: held for trading	–	–	–
Interest and dividend income on financial assets	629	564	1 184
Interest expense			
Interest expense for customer deposits	– 196	– 284	– 563
Interest expense for amounts due to banks	0	–7	–14
Interest expense on repurchase transactions	0	–3	–6
Net interest income	**461**	**368**	**792**
Change in writedowns of financial assets[2]	–36	–22	– 189
Losses on payment transactions	–3	–2	–4
Net interest income after writedowns	**422**	**344**	**599**
Commission income on lending, securities and investment business	49	49	101
Commission income on other services	12	10	23
Income from services	277	275	571
Commission and services expenses	– 194	– 188	–386
Net services and commission income	**144**	**146**	**309**
Net trading income	47	48	111
Realized gains and losses on financial assets[2]	–5	2	2
Other operating income	–4	–2	–5
Total operating income	**604**	**538**	**1016**
Staff costs	– 198	– 175	–350
General overheads	–201	– 197	–417
Depreciation and amortization	–7	– 12	–20
Total operating expenses	**–406**	**–384**	**–787**
Operating profit[3]	**198**	**154**	**229**
Net income from associates	1	1	2
Income from intra-Group financing	1	1	4
Profit	**200**	**156**	**235**

1 FVTPL: Fair value through profit or loss (held for trading).
2 Prior-year amounts adjusted.
3 Corresponds to the operating result of the PostFinance segment.

Statement of financial position

PostFinance | Statement of financial position

CHF million	**30 June 2009**	31 Dec. 2008	30 June 2008
Assets			
Cash and cash equivalents	2046	2304	2107
Receivables due from banks	20103	17000	10893
Interest-bearing amounts due from customers	126	105	109
Derivative financial instruments	95	178	74
Financial assets	54865	46612	44171
Investments	14	14	14
Property, plant and equipment	30	35	40
Prepaid expenses	667	642	607
Other assets	335	266	251
Total assets	**78281**	**67156**	**58266**
Equity and liabilities			
Due to banks	2078	263	2592
Due to customers on Deposito and investment accounts	21091	17745	17538
Other amounts due (to customers)	54241	48316	37270
Derivative financial instruments	13	11	25
Deferred income	199	56	186
Provisions	4	4	4
Other liabilities	37	145	62
Total liabilities	**77663**	**66540**	**57677**
Allocated equitys [1]	500	500	500
Fair value reserves	–107	–150	–58
Hedging reserves	25	31	–9
Profit	200	235	156
Total equity	**618**	**616**	**589**
Total equity and liabilities	**78281**	**67156**	**58266**

1 Since 1 January 2003, PostFinance has had CHF 500 million in equity available to cover fluctuations in the fair value of available-for-sale financial assets.

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