Half year financial report 2013

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1 Overview of Key Figures

Income statement (in million EUR)	H1 2013	H1 2012	Change %
Total Operating Income	1,235.7	1,229.3	0.5%
Normalized Total Operating Income (1)	1,221.1	1,229.3	-0.7%
Payroll costs	(606.8)	(590.7)	2.7%
EBITDA (2)	326.0	331.2	-1.6%
Normalized EBITDA (3)	311.4	310.1	0.4%
Profit from operating activities (EBIT)	282.4	288.4	-2.1%
Normalized profit from operating activities (4)	267.8	267.3	0.2%
Profit of the period	181.5	176.0	3.1%

Cash flow (in million EUR)	H1 2013	H1 2012	Change %
Net cash from operating activities	166.8	52.3	219.0%
Net cash used in investing activities	(51.0)	(19.1)	166.4%
Operating Free cash flow (5)	115.8	33.2	249.3%
Normalized operating free cash flow (6)	238.9	334.0	-28.5%
Net cash used in financing activities	(195.2)	(0.4)	47341.8%
Net change of cash and cash equivalents	(79.4)	32.8	-342.4%

Statement of financial position (in million EUR)	As of 30 June 2013	As of 31 December 2012	Change %
Total assets	2,053.8	2,228.1	-7.8%
Non-current assets	1,076.1	1,112.8	-3.3%
Equity	663.1	737.7	-10.1%
Employee benefits	349.5	364.1	-4.0%
Net Debt + (Net Cash) (7)	(537.9)	(618.6)	-13.0%

Other key figures	H1 2013	H1 2012	Change %
Normalized EBIT margin (8)	21.9%	21.7%	0.9%
Basic earnings per share (9)	0.90	0.88	2.0%
Diluted earnings per share (9)	0.90	0.88	2.0%
Normalized basic earnings per share (9)	0.83	0.81	1.9%
Number of FTE (at period end)	25,587	26,399	-3.1%
Number of FTE (average)	25,563	26,731	-4.4%

(1) Normalized total operating income represents total operating income excluding the impact of non-recurring items and is not audited.

(2) Earnings Before Interests, Taxes, Depreciations and Amortization. EBITDA represents EBIT plus depreciation and Amortization.

(3) Normalized EBITDA represents EBITDA excluding the impact of non-recurring items and is not audited.

(4) Normalized EBIT represents profit from operating activities excluding the impact of non-recurring items and is not audited.

(5) Operating free cash flow represents net cash from operating activities less net cash used in investing activities and is not audited.

(6) Normalized operating free cash flow for the year represents operating free cash flow for the year excluding the impact of non-recurring items and is not audited.

(7) Net debt + (net Cash) represents interest and non-interest bearing loans less cash and cash equivalents

(8) Normalized EBIT margin represents normalized EBIT divided by normalized total operating income and is not audited.

(9) All earnings per share are calculated based on the number of shares after the stock split, which was approved at the Extraordinary Shareholders' Meeting on May 27, 2013 and resulted in a total of 200,000,944 shares.

For further details on reconciliation of normalized and reported key figures, we refer to section 5.4 of this document.

The bpost Management Committee declares that to the best of its knowledge, the condensed consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS"), give a true and fair view of the assets, financial position and results of bpost and of the entities included in the consolidation.

The financial report gives an accurate overview of the information that needs to be disclosed pursuant to paragraphs 5 and 6 of article 13 of the Royal Decree of 14 November 2007.

The bpost Management Committee is represented by Johnny Thijs, Chief Executive Officer and Pierre Winand, Chief Financial Officer.

2 Highlights

Overall

- Q2 Domestic Mail volume showing some recovery compared to Q1
- Good overall parcels performance
- Weak other products driven by lower International Mail volume as we continue to increase prices
- Thanks to parcels and cost control, resilient EBIT in spite of lower domestic mail volume, lower remuneration for Services of General Economic Interest (SGEI) and unfavorable phasing of sale of buildings and of settlement of terminal dues

On Domestic Mail

- Q2 volume (-3.8%) decline lower than in Q1 (-5.6%)
- H1 2013 included two working days less than H1 2012 representing an estimated loss of volume of 0.3% or 2.7 million EUR
- Modest acceleration of decline of Transactional Mail (-3.7% vs. -3.3% for the whole of 2012) driven by cost-cutting at our clients; continued decline of Advertising Mail (-8.6% vs. -5.8 % for the whole of 2012) slightly ahead of the decline of the advertising market due to the loss of a major client; higher decline in periodicals affecting the press segment

On Parcels

- 6.1% growth in domestic parcels (including inbound) driven by volume (+6.4%). This volume growth was stable over Q1 and Q2.
- Turnover in international parcels almost quadrupled

On costs

- Payroll costs went down 4.2 million EUR in Q2 whereas they were almost stable in Q1
- Continued reduction of other costs
- IPO costs less than anticipated and included in Q2
- Continued focus on costs for the rest of the year as a hedge against Domestic Mail volatility

Below EBIT

- Positive effect of increase of long term interest rate on discounting of employee benefits leading to positive financial results
- Tax charge affected by 17.6 million EUR one-off charge linked to pre-IPO decapitalization

On Cash Flow

- Net cash decreased by 80.7 million EUR, mainly driven by the pre-IPO capital reduction and exceptional dividend (144.5 million EUR and 53.5 million EUR respectively) and the repayment of the overcompensation by the State for the SGEI (123.1 million EUR), partially compensated by the normalized operating free cash flow (238.9 million EUR)

3 Key events for the six months ended 30 June 2013

Sale of a part of the activities of Certipost to Basware

On 5 October 2012 bpost sold to the Finnish group Basware the activities of Certipost related to the exchange of electronic documents. The Certipost activities concerning the document protection, the digital certificates and the electronic ID cards remain bpost's property.

The transfer of the activities sold is effective since 2 January 2013. See note 12.8 for details on financial impact.

Appeal of the decision taken by Belgian Competition Authority

In January 2013, bpost appealed the decision taken in December 2012 by the Belgian Competition Authority related to the imposition of a fine of 37.4 million EUR upon the company for abuse of dominant position in respect of its "per sender" model pricing policy.

This pricing policy, which was introduced by bpost in 2010, consisted of calculating volume rebates based on volumes of mail sent by the individual end customers, i.e., on a total revenue per sender basis rather than the aggregate volumes handled by intermediaries. In 2011, the IBPT/BIPT concluded that this policy towards intermediaries infringed the non-discrimination and transparency obligations imposed by the 1991 Law. In light of the IBPT/BIPT's decision, bpost agreed to discontinue the "per sender" model in August 2011 and adapted its commercial pricing policies which resulted in intermediaries having access to volume rebates on a consolidated basis.

The appeal is currently pending before the Brussels Court of Appeal. bpost paid the fine during the first quarter of 2013 pending the outcome of the appeal.

Approval of the 5th Management Contract

On 7 March 2013, the 5th Management Contract between the Belgian State and the Company was notified to the European Commission and was approved by the European Commission on 2 May 2013. The 5th Management Contract sets forth the terms and conditions pursuant to which bpost must fulfill certain Services of General Economic Interest (SGEI) for the period from 1 January 2013 to 31 December 2015. The 5th Management Contract also provides certain additional terms and conditions relating to the performance by bpost of the USO.

The 5th Management Contract was approved by Royal Decree on 29 May 2013 and is effective as of 1 January 2013. It replaces the 4th Management Contract dated 2 December 2005. See note 12.7 for details on financial impact.

Capital reduction and exceptional dividend

On 25 March 2013, an extraordinary shareholders' meeting of the Company approved (i) the share capital reduction of 144.5 million EUR through return of capital to the shareholders of the Company prior to closing of the Offering and (ii) a reduction in the legal reserve in the amount of 21.3 million EUR through the transfer to available reserves and the subsequent payment of an exceptional dividend of 53.5 million EUR from available reserves and retained earnings to such shareholders. See note 12.12 for income tax impact of this decision.

Following the approval from the European Commission of the 5th Management Contract, the share capital reduction and the exceptional dividend were paid out in June 2013.

Acquisition of the final 20% shares of MSI

In June 2013, bpost acquired the final 20% of the MSI shares which were still held by the minority shareholders for an amount of 5.3 million USD. Consequently, bpost owns now 100% of the shares of MSI.

SGEI overcompensation for the period 2011-2012

bpost is entitled to receive compensation from the Belgian state in respect of certain SGEI it provides, which include, among other services, the early delivery of newspapers, the distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances.

In 2009, the European Commission launched a state aid investigation in relation to compensation for SGEI, among other things. Following this investigation, bpost repaid 300.8 million EUR of alleged state aid (including interest but net of taxes) in respect of the period from 1992 to 2010.

On May 2, 2013, the European Commission approved the state aid granted to bpost under the terms of the 5th Management Contract covering the period from 2013 to 2015.

In connection with the notification of the 5th Management Contract, the Belgian state committed to the European Commission to recover overcompensation of SGEI services from bpost relating to the period from 2011 to 2012. In its decision regarding the 5th Management Contract, the European Commission considered that bpost in all likelihood benefited from overcompensation during the period 2011 and 2012 and that the commitment of the Belgian state will remove such overcompensation.

bpost agreed with the Belgian state to repay such amount under certain conditions. In anticipation of the amount due (i.e., 123.1 million EUR following the final computation of interest), the Belgian state withheld in the first quarter of 2013 an amount of 88.9 million EUR from the outstanding balance of state compensation due in respect of 2012 under the 4th Management Contract. The remaining amount was paid in June 2013.

Granting of a postal license to TBC-POST

In May 2013, the IBPT/BIPT granted a postal license to Mosaïc SPRL, better known as "TBC-POST".

This license allows the company to collect and distribute direct mail on the Belgian territory, while respecting the following conditions:

(i) Within the 5 years, 80% of the territory of the 3 Belgian regions has to be covered;

(ii) After the first 2 years of activity, the distribution has to be done at least twice a week;

(iii) It is not allowed to appeal to self-employed people to collect, sort or distribute the direct mail.

Depending on the commercial success of TBC-POST, this might impact volume evolution of certain products.

New Framework Agreement and capital increase bpost bank

On March 26, 2013, BNP Paribas Fortis and bpost approved a term sheet relating to the extension of their partnership relating to bpost bank and outlining the key principles of the new Framework Agreement and related ancillary agreements to be entered into (the "Term Sheet").

According to the term sheet, the existing Framework Agreement will cease to be in effect on December 31, 2014 and be replaced by a new Framework Agreement which is to take effect on January 1, 2015 for a term of seven years.

According to the term sheet:

(i) bpost and BNP Paribas Fortis will continue to cooperate through bpost bank, which will continue to be an associate of bpost;

(ii) bpost will remain the exclusive offeror of bpost bank's products and services through its network of post offices; and

(iii) bpost will continue to provide back office activities and other ancillary services to bpost bank.

According to the term sheet, the new Framework Agreement will provide, among other things and in line with the terms of the existing Framework Agreement; that bpost will also continue to distribute only bpost bank's products and services, except for

(i) those products or services that bpost currently distributes (such as the bpaid cards) and products or services offered as part of the SGEI entrusted to bpost or which would be imposed by law;

(ii) treasury and payment services rendered to the Belgian state; and

(iii) products and services which are an integral component of a global business solution offered by bpost. In addition, off-balance sheet banking products offered by bpost bank will be provided by BNP Paribas Fortis. The term sheet provides for the renegotiation and renewal of certain ancillary agreements among bpost, BNP Paribas Fortis and bpost bank, namely a distribution agreement, a trademark license agreement and service agreements.

The term sheet also includes certain corporate governance provisions, aimed at, among other things, reinforcing the role and composition of the executive committee and which are applicable with immediate effect. bpost bank's board of directors must comprise the members of the executive committee (which is composed of the CEO and three other officers appointed by the board of directors), an equal number of directors from each of bpost and BNP Paribas Fortis and at least one independent director. The chairman of the board of directors has a term of three years and will rotate from among the directors designated by bpost and BNP Paribas Fortis.

In anticipation of the capital requirements that will be introduced in connection with the implementation of Basel III and CRD IV, bpost bank completed a capital increase in the amount of 100 million EUR on March 20, 2013, pursuant to which bpost contributed 37.5 million EUR in cash (following the capital increase, bpost's shareholding in bpost bank continued to be 50%). As of December 31, 2012, bpost bank's Tier I ratio was 13.0% and giving effect to the capital increase, its Tier I ratio would have been 19.4%. In the event of a future capital increase (either to address capital adequacy concerns or for other reasons), BNP Paribas Fortis and bpost committed to participate on a 50-50 basis.

Share split

The Extraordinary Shareholders' Meeting on May 27, 2013 approved a stock split of 1/488 which results in a share capital composed of 200,000,944 shares. The previous number of shares amounted to 409,838 shares.

Initial Public Offering

Following the decision by Post Invest Europe S.à.r.l. to sell part of its shares, bpost announced on 23 May its intention to proceed with an initial public offering and listing of its ordinary shares on NYSE Euronext in Brussels (the "IPO").

On 21st June, the trading of bpost's shares started on Euronext Brussels. The final offer price amounted to 14.5 EUR. The stabilization period in relation to the IPO ended on July 19, 2013.

59,750,180 Shares were sold (including the exercise of the over-allotment option) to:

(i) retail and institutional investors in Belgium via an initial public offering;

(ii) Japanese investors via a public offering without listing;

(iii) "qualified institutional buyers" or "QIBs" via a private placement in the United States; and

(iv) institutional investors in the rest of the world via private placements.

Concurrently, bpost implemented a share purchase plan for bpost's employees. Eligible participants were able to purchase a fixed number of shares at a price representing a discount of 16.67% to the offer price. 916.479 shares were sold to bpost's employees.

The Belgian State did not sell shares and maintains its 50.01% participation in bpost (directly and through the SFPI/FPIM). Post Invest Europe S.à.r.l., the selling shareholders, maintain a stake of 19.67% in the Company.

Other

There has been no other material change to the information disclosed in the most recent annual consolidated financial statements in connection with related parties or the identified risks that would require disclosure under the Financial Reporting Framework.

4 Changes in Corporate Governance

The Shareholders' Meeting of bpost held on May 27, 2013 approved new Articles of Association. These changes to the Articles of Association were approved by Royal Decree deliberated in Council of Ministers, pursuant to the 1991 Law, on June 7, 2013. These new Articles of Association are effective since Closing of the IPO, i.e. June 21, 2013.

Composition of the Board

Under the new Articles of Association, the Board of Directors consists of up to 12 members, which are to be appointed as follows:

- the CEO, who is appointed by the Belgian state by Royal Decree deliberated in the Council of Ministers, upon proposal of the Board of Directors acting upon a recommendation of the Remuneration and Nomination Committee;

- up to six directors, including the Chairperson of the Board and one director proposed by SFPI/FPIM, appointed by the Belgian state by Royal Decree deliberated in the Council of Ministers, after consultation with the Remuneration and Nomination Committee. These directors must be prominent members of the business or academic communities or national or international public institutions;

- three independent directors, within the meaning set out in Article 526ter of the Belgian Companies Code, elected by an electoral college consisting of all shareholders of bpost other than public institutions (meaning Belgian public institutions or entities within the meaning of Article 42 of the 1991 Law ("Public Institutions")), which encompasses the Belgian state and its affiliated entities, including SFPI/FPIM) from among candidates proposed by the Remuneration and Nomination Committee, it being understood that, for the election of these directors, no shareholder may cast votes representing in excess of 5% of total voting rights attached to the Shares;

- so long as Post Invest Europe S.à r.l. (alone or together with its affiliates) owns 15% or more of the voting Shares, two directors shall be elected by an electoral college consisting of all shareholders of bpost other than Public Institutions upon the proposal of Post Invest Europe S.à r.l.. If Post Invest Europe S.à r.l. (alone or together with its affiliates) owns 5% or more of the voting Shares, but less than 15%, one director shall be so elected; and

- if one or no directors have been appointed upon the proposal of Post Invest Europe S.à r.l. in accordance with the above nomination rights, the remaining director or directors shall be elected by an electoral college consisting of all shareholders of bpost other than Public Institutions.

The directors are each appointed for a renewable term defined by the 1991 Law. The 1991 Law currently provides for a term of six years but it is agreed in the Shareholders' Agreement that, subject to legislative approval, the term of office of directors will be reduced to four years going forward.

Except for the CEO, the Board of Directors only consists of non-executive directors. The Chairperson of the Board is appointed and may be removed from his/her chairmanship by Royal Decree deliberated in the Council of Ministers. The CEO and the Chairperson of the Board of Directors must belong to a different language group (Dutch versus French).

The directors appointed by the Belgian state (including the CEO, the Chairperson of the Board of Directors and one director proposed by SFPI/FPIM) may be removed or replaced only by Royal Decree deliberated in the Council of Ministers. All other directors may be removed or replaced at any time by a majority of the votes cast by an electoral college consisting of all shareholders of bpost other than Public Institutions. The CEO, when removed from his/her duties, automatically ceases to be a member of the Board of Directors.

The members of the Board of Directors appointed by the Belgian state should comprise an equal number of Dutch speakers and French speakers, excluding, as the case may be, the Chairperson. Of those directors, at least one-third must be of a different gender from the other directors appointed by the Belgian state. Directors are not allowed to hold certain public offices in Belgium, to serve as member of the European Parliament or the European Commission, or to hold certain other positions specified in the 1991 Law (and in the Articles of Association). In addition, with the exception of the CEO and other members of the Management Committee, a director may not be an employee of bpost. Persons with interests conflicting with those of bpost or one of its subsidiaries may not be appointed as directors, and directors are required to tender their resignation if a continuing conflict of interest arises.

The Board of Directors is now composed of 11 members as follows:

Name	Age	Position	Director since	Mandate expires
Martine Durez[(1)]	61	Non-Executive Chairperson of the Board	2006	2018
Johnny Thijs[(1)]	61	CEO and Director	2000[(3)]	2014
Arthur Goethals[(1)]	67	Non-Executive Director	2006	2018
Luc Lallemand[(1)]	46	Non-Executive Director	2002	2018
Laurent Levaux[(1)]	56	Non-Executive Director	2012	2018
Caroline Ven[(1)]	41	Non-Executive Director	2012	2018
K.B. Pedersen[(2)]	65	Non-Executive Director	2009	2018
Bjarne Wind[(2)]	64	Non-Executive Director	2008	2018
François Cornelis	63	Independent Director	2013	2019
Sophie Dutordoir	50	Independent Director	2013	2019
Bruno Holthof	51	Independent Director	2013	2019

[(1)] Appointed by the Belgian State.
[(2)] Appointed upon the proposal of Post Invest Europe S.à r.l..
[(3)] Appointed as CEO in 2002. On May 17, 2013 the Board of Directors, acting upon a unanimous recommendation of the Remuneration and Nomination Committee, unanimously decided to propose to the Belgian State to re-appoint Mr.Thijs for a term of 6 years following the expiry of his current term of office.

Composition of Board Committees

The Strategic Committee consists of (i) the CEO, who chairs the committee, (ii) three directors appointed by the Belgian state and (iii) one director appointed upon the proposal of Post Invest Europe S.à r.l. and, otherwise, a director nominated by the private shareholders. The following directors form since June 21, 2013 the Strategic Committee: Johnny Thijs (Chairperson), Arthur Goethals, Luc Lallemand, Laurent Levaux and K.B. Pedersen.

The Audit Committee consists of five members: (i) three independent directors; (ii) one director appointed by the Belgian state; and (iii) either (a) another director appointed by the Belgian state or (b) so long as Post Invest Europe S.à r.l. (alone or together with its affiliates) owns at least 15% of the voting Shares, one director appointed upon the proposal of the Post Invest Europe S.à r.l.. The Chairperson of the Audit Committee is designated by the Board of Directors but cannot not be the Chairperson of the Board of Directors. No executive director (including the CEO) can be a member of the Audit Committee. The following directors form since June 21, 2013 the Audit Committee: François Cornelis (Chairperson), Sophie Dutordoir, Bruno Holthof, Caroline Ven and Bjarne Wind.

The Remuneration and Nomination Committee consists of five members: (i) three independent directors; (ii) one non-executive director appointed by the Belgian state, who chairs the Remuneration and Nomination Committee; and (iii) either (a) another non-executive director appointed by the Belgian state or (b) so long as the Post Invest Europe S.à r.l. (alone or together with its affiliates) owns at least 15% of the voting Shares, one director appointed upon the proposal of Post Invest Europe S.à r.l.. The CEO shall participate with an advisory vote in the meetings of the Remuneration and Nomination Committee when the remuneration of the other members of the Management Committee is being discussed. The following directors form since June 21, 2013 the Remuneration and Nomination Committee: Martine Durez (Chairperson), Sophie Dutordoir, François Cornelis, Bruno Holthof, and Bjarne Wind.

Quorum

The Board can only deliberate and make valid decisions if more than half of the directors are present or represented. The quorum requirement does not apply (i) to the vote on any matter at a subsequent meeting of the Board of Directors to which such matter has been deferred for lack of quorum at a prior meeting, if said subsequent meeting is held within 30 days from such prior meeting and the notice of said subsequent meeting sets forth the proposed decision on such matter with reference to this provision, or (ii) when an unforeseen emergency arises that makes it necessary for the Board to take action that would otherwise become time-barred by law or in order to avoid imminent harm to the bpost.

Deliberation and voting

Without prejudice to the special majority requirements set forth in the 1991 Law, all decisions of the Board of Directors are adopted by a majority of the votes cast. In the case of a tie, the Chairperson has a casting vote.

If and when the shareholding of Post Invest Europe S.à.r.l. (alone or together with its affiliates) drops below 20% of the voting Shares, a more limited list of Board matters requires a majority of two-thirds of the votes cast regardless of the remaining number of voting Shares owned by Post Invest Europe S.à.r.l.:

- approval of the management contract between the Belgian state and the Company;
- acquisitions exceeding certain thresholds;
- certain changes to the principles of staff regulations or the union statute;
- any amendment of the Corporate Governance Charter or the charter of a Board committee;
- the appointment of the CEO;
- any issuance of Shares, convertible bonds or warrants under authorized capital in case of exclusion or limitation of preferential subscription rights of existing shareholders;
- any decision to redeem Shares or to resell treasury Shares; and
- the distribution of any interim dividend that departs from the dividend pay-out policy.

In addition, the Corporate Governance Charter provides that Board decisions of strategic importance, including the adoption of the business plan and the annual budget and decisions regarding strategic acquisitions, alliances and divestitures must be prepared by a standing or an ad hoc Board committee. For any such decisions, the Board shall strive to achieve broad support across its various constituencies, it being understood that, following appropriate dialogue and consultations, the Chairperson may call for a decision and the proposal shall carry if adopted by a majority of the votes cast.

5 Financial Review

5.1 Interim Consolidated Income Statement

The following table presents bpost's financial results for the first half and the second quarter of 2013 and 2012:

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Turnover	1,214.1	1,216.0	-0.2%	600.4	603.9
Other operating income	21.6	13.2	63.3%	2.5	8.8
Total Operating Income	**1,235.7**	**1,229.3**	**0.5%**	**603.0**	**612.7**
Materials cost	(15.3)	(16.5)	-7.6%	(7.5)	(8.1)
Services and other goods	(291.4)	(282.9)	3.0%	(141.7)	(146.4)
Payroll costs	(606.8)	(590.7)	2.7%	(300.4)	(283.7)
Other operating expenses	3.9	(8.0)	-148.6%	(1.7)	(1.9)
Depreciation, amortization	(43.6)	(42.8)	2.0%	(22.9)	(21.5)
Total Operating Expenses	**(953.3)**	**(940.8)**	**1.3%**	**(474.1)**	**(461.5)**
Profit from operating activities (EBIT)	**282.4**	**288.4**	**-2.1%**	**128.9**	**151.2**
Financial income	1.2	4.2	-71.5%	0.4	1.6
Financial cost	(5.0)	(22.6)	-77.9%	(2.6)	(13.1)
Share of profit of associates	12.2	5.4	124.7%	9.7	2.4
Profit before tax	**290.7**	**275.4**	**5.6%**	**136.4**	**142.1**
Income tax expense	(109.3)	(99.5)	9.8%	(54.3)	(55.6)
Profit for the period	**181.5**	**176.0**	**3.1%**	**82.1**	**86.4**

Total operating income

Total operating income increased by 6.4 million EUR, or 0.5%, to 1,235.7 million EUR for the first half of 2013.

Two contributing elements impacting positively total operating income relate to:

- The gain realized on the disposal of certain activities of Certipost: the sale of the activities (14.6 million EUR) was partially offset by the loss of the related turnover in respect of the disposed activities (3.9 million EUR for the first half year 2012);
- The consolidation of Landmark Global as of 2013 contributed 16.9 million EUR.

The compensation received from the Belgian State for performing the SGEI during the first half year 2013 amounted to 151.9 million EUR, corresponding to half of the estimated annual compensation. The compensation for SGEI for the first half year 2013 was computed using the methodology set forth in the 5th Management Contract and was 7.6 million EUR lower than the compensation for SGEI for the same period last year, which was computed based on the methodology set forth in the 4th Management Contract. Compensation under the 5th Management Contract is computed using the NAC (Net Avoided Cost) methodology and includes compensation for the newspapers, periodicals, maintenance of the retail network and other SGEI. Compensation under the 4th Management Contract was determined using the FDC (Fully Distributed Cost) methodology and did not include any compensation for the retail network.

Furthermore, two elements impacting negatively the operating income relate to lower sales of buildings and lower favorable settlements with foreign operators of previous year's terminal dues. The negative variance compared to last year amounts to 4.3 million EUR and 6.1 million EUR respectively.

Taking into account the impact of two working days less in the first half year 2013 compared to the first half year 2012, which had an estimated adverse impact of 2.7 million EUR, operating income for the first half year 2013 is in line with the first half year 2012. The decrease in domestic mail volumes (4.7%, including the impact of the two working days) was more than offset by price increases in domestic mail and parcels and the growth in the volumes of parcels.

Q2 Domestic Mail volume (-3.8 %) is showing some recovery compared to Q1 (-5.6%).

The following table presents a breakdown of bpost's total operating income by product for the first half and the second quarter of 2013 and 2012:

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Domestic Mail	788.6	849.6	-7.2%	393.5	420.6
Transactional Mail	489.2	499.2	-2.0%	244.9	249.5
Advertising Mail	141.5	147.2	-3.9%	70.1	69.5
Press	157.9	203.1	-22.2%	78.6	101.6
Parcels	115.6	81.8	41.3%	59.7	40.9
Value-added services	42.9	47.7	-10.1%	20.6	23.0
International Mail	98.7	108.3	-8.9%	46.6	56.7
Banking and Financial products (1)	104.6	106.0	-1.3%	52.6	54.0
Other	85.2	35.8	137.8%	30.0	17.5
Total	1,235.7	1,229.3	0.5%	603.0	612.7

(1) Operating income reported under the banking and financial products product line does not include the operating income of bpost bank. It includes among other revenues operating income generated by the sale of banking and insurance products under an agency agreement with bpost bank and AG Insurance and also includes operating income generated by payment products. bpost bank is reported as an associate and is accounted for using the equity method.

MRS operating segment

Operating income attributable to the MRS operating segment decreased by 8.8 million EUR, or 0.9%, to 1,022.7 million EUR for the first half year 2013 from 1,031.5 million EUR for the first half year 2012.

Excluding the net impact of the disposal of selected activities of Certipost (10.7 million EUR being 14.6 million EUR of gain realized on the disposal – 3.9 million EUR being the loss of the related turnover for the period), operating income would have decreased by 19.5 million EUR. This decrease was mainly due to a decrease in transactional and advertising mail volumes, including the impact of two working days less in the first half of 2013 which had an estimated impact of 2.7 million EUR.

The decrease was also due in part to a decrease in compensation for SGEI in the amount of 7.6 million EUR. Compensation for SGEI for the first half year 2013 amounted to 151.9 million EUR, corresponding to half of the estimated annual compensation for the year 2013. The totality of this amount was recorded within the MRS operating segment.

The following table presents a breakdown of the MRS operating segment's operating income by product for the first half year and the second quarter of 2013 and 2012:

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Domestic Mail	788.6	849.6	-7.2%	393.5	420.6
Transactional Mail	489.2	499.2	-2.0%	244.9	249.5
Advertising Mail	141.5	147.2	-3.9%	70.1	69.5
Press	157.9	203.1	-22.3%	78.5	101.6
Parcels	16.5	16.4	1.1%	8.0	7.9
Value-added services	42.9	47.7	-10.1%	20.6	23.0
Banking and Financial products	104.6	106.0	-1.3%	52.6	54.0
Other	70.0	11.9	489.4%	28.1	6.4
Total	1,022.7	1,031.5	-0.9%	502.7	512.0

Transactional mail*.* Operating income attributable to transactional mail decreased by 10.1 million EUR, or 2.0%, to 489.2 million EUR for the first half of 2013. The decrease was primarily attributable to lower volumes (-3.7% vs -3.3% for the whole 2012), driven by cost-cutting by bpost's clients. These volume declines were partially offset by price increases in line with the price cap formula as defined in the 5th Management Contract. The decrease in operating income attributable to transactional mail was also due to the decrease in compensation for SGEI for an amount of 2.9 million EUR.

Advertising mail*.* Operating income attributable to advertising mail decreased by 5.7 million EUR, or 3.9%, to 141.5 million EUR for the first half of 2013. The decrease was primarily attributable to a decline in advertising mail volumes (-8.6% vs. -5.8 % for the whole of 2012), which was partially offset by increases in pricing. The decline in volumes was due to adverse economic conditions, lower media spending and the loss of a major client in addressed mail (3.4 million EUR impact).

Press. Operating income attributable to press decreased by 45.2 million EUR, or 22.3%, to 157.9 million EUR for the first half year 2013. The decrease was attributable to the changes relating to compensation for SGEI (44.4 million EUR). Under the 5th Management Contract, bpost is entitled to lower remuneration for press distribution but receives a compensation for the Retail Network (shown in line Other). Excluding the effect of this reallocation, operating income attributable to the press product line remained almost stable, notwithstanding the decline in periodicals.

Parcels. Operating income attributable to parcels slightly increased by 0.2 million EUR, or 1.1%, to 16.5 million EUR for the first half of 2013.

Value-added services*.* Operating income attributable to value-added services decreased by 4.8 million EUR, or 10.1%, to 42.9 million EUR for the first half year 2013. The decrease was primarily attributable to the loss of the related turnover in relation to the disposed activities of Certipost (3.9 million EUR) as well as a decrease in operating income from document management services.

Banking and financial products*.* Operating income attributable to banking and financial products decreased by 1.3 million EUR, or 1.3%, to 104.6 million EUR for the first half year 2013. Excluding the decrease in compensation for SGEI's, operating income remained stable.

Other*.* Other operating income increased by 58.1 million EUR, or 489.4%, to 70.0 million EUR for the first half year 2013. The increase was primarily attributable to the disposal of selected activities of Certipost and the Retail Network SGEI compensation (43.2 million EUR), foreseen in the 5th Management Contract.

P&I operating segment

Operating income attributable to the P&I operating segment increased by 23.6 million EUR, or 13.7%, to 195.5 million EUR for the first half year 2013 from 171.9 million EUR for the first half year 2012. The increase was primarily attributable to higher inbound parcels and international parcels volumes as well as to the consolidation of Landmark Global (16.9 million EUR), partially compensated by lower favorable settlements of previous years' terminal dues.

The following table presents a breakdown of the P&I operating segment's operating income by product for the first half year and the second quarter of 2013 and 2012:

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Parcels	99.0	65.5	51.3%	51.7	33.0
International Mail	98.7	108.3	-8.9%	46.6	56.7
Other	(2.2)	(1.9)	17.1%	(1.1)	(0.1)
Total	195.5	171.9	13.7%	97.2	89.6

Parcels*.* Operating income attributable to parcels increased by 33.6 million EUR, or 51.3%, to 99.0 million EUR for the first half year 2013. Half of the increase was attributable to the consolidation of Landmark Global for the six months ended June 30, 2013, which contributed 16.9 million EUR to the increase. The balance of the increase was due to a 20.5% increase in parcels' volumes and an increase in average selling prices.

International mail*.* Operating income attributable to international mail decreased by 9.6 million EUR, or 8.9%, to 98.7 million EUR for the first half year 2013. The decrease was primarily attributable to lower favorable settlements with foreign operators of previous years' terminal dues (6.1 million EUR of which 4.2 million EUR is the result of a reclassification of the settlement in deduction of the transport costs and 1.9 million EUR is due to a phasing as some settlements are expected to take place in the second half of 2013) combined with a decline in volumes as bpost continues to increase prices. Inbound mail volumes decreased by 2.6 % in the first half year of 2013.

Other*.* Other operating income slightly decreased by 0.3 million EUR to negative 2.2 million EUR for the first half year 2013. The decrease was primarily attributable to higher intercompany eliminations within the P&I operating segment which were not attributable to individual products.

Corporate (reconciliation category)

Operating income attributable to Corporate (reconciliation category) decreased by 8.4 million EUR, or 37.6%, to 17.4 million EUR for the first half year 2013 mainly associated to lower sales of buildings and lower rental income. The lower sales of buildings are due to different phasing of sales over the year.

Operating expenses

Total operating expenses increased by 12.4 million EUR, or 1.3% to 953.3 million EUR for the first half year 2013. Excluding the changes in scope (net impact of 10.2 million EUR for acquisition of Landmark and sale of Certipost) and the non-recurring credit to payroll costs in the first half of 2012 (21.1 million EUR), total operating expenses decreased by 18.9 million EUR.

The decrease is reflected in almost all cost categories. Payroll costs show an underlying decrease of 4.7 million EUR, material costs decreased by 1.2 million EUR and services and other goods were 1.7 million EUR lower than last year. On top of this, underlying other operating expenses decreased by 12.0 million EUR mainly following the change in VAT recoverability and change in provisions.

Material costs

Materials costs, which include the cost of raw materials, consumables and goods for resale, decreased by 1.3 million EUR, or 7.6%, to 15.3 million EUR for the first half year 2013. The decrease was primarily due to a decrease in services performed by contract drivers in the Special Logistics activities.

Services and other goods

The cost of services and other goods increased by 8.5 million EUR, or 3.0%, to 291.4 million EUR for the first half year 2013. Excluding the impact of the changes in scope (10.2 million EUR, mainly transport costs due to the consolidation of Landmark Global for the first half year 2013), the costs for goods and services decreased by 1.7 million EUR or 0.6%.

The following table presents a breakdown of cost of services and other goods for the first half year and the second quarter of 2013 and 2012:

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Rent and rental costs	34.3	31.4	9.5%	17.3	16.0
Maintenance and repairs	34.4	32.8	4.9%	16.8	15.9
Energy delivery	21.1	21.6	-2.4%	9.9	10.1
Other goods	9.6	10.1	-5.7%	4.6	5.0
Postal and telecom costs	3.3	4.2	-22.6%	1.6	2.1
Insurance costs	7.7	7.8	-1.2%	3.8	3.6
Transport costs	83.4	74.8	11.5%	39.6	39.5
Publicity and advertising	9.5	8.3	15.3%	4.9	4.6
Consultancy	8.4	14.2	-40.8%	4.1	8.2
Interim employees	15.5	17.1	-9.5%	7.3	9.6
Third party remuneration, fees	55.6	52.9	5.2%	27.2	27.9
Other Services	8.5	7.7	11.3%	4.5	3.8
Total	**291.4**	**282.9**	**3.0%**	**141.7**	**146.4**

Rent and rental costs increased by 2.9 million EUR, or 9.5%, to 34.3 million EUR for the first half year 2013. The increase was primarily due to the lower rental costs recorded in 2012 following the renegotiation of an operational leasing contract for vehicles, which led to bpost being granted a retrospective credit note. The remaining difference is due to the continuing shift from owned towards leased for the vehicles.

Maintenance and repairs costs rose by 1.6 million EUR, or 4.9%, to 34.4 million EUR for the first half year 2013. The increase was primarily a consequence of new contracts for software licenses combined with increased costs for fleet and machinery.

Energy delivery costs decreased by 0.5 million EUR, or 2.4%, to 21.1 million EUR for the first half year 2013 mainly due to lower prices and lower consumption of fuel.

Costs in respect of other goods decreased by 0.5 million EUR, or 5.7%, to 9.6 million EUR for the first half year 2013 from 10.1 million EUR for the first half year 2012. The decrease was primarily due to reduced usage of small IT material and equipment.

Transport costs increased by 8.6 million EUR, or 11.5%, to 83.4 million EUR for the first half year 2013. The increase was driven by the consolidation of Landmark Global in 2013 (9.9 million EUR) and an increase in transport costs related to international activities, partially offset by a decrease in distribution costs in line with lower volumes. Furthermore, there was also a positive impact due to the reclassification of favorable settlement of previous years' terminal dues in 2013 (4.2 million EUR).

Publicity and advertising costs showed an increase of 1.2 million EUR, or 15.3%, to 9.5 million EUR for the first half year 2013. The increase was primarily due to publicity and advertising campaigns to support the introduction of new products or activities (Bpack, Shop and Deliver,...)

Consultancy costs fell by 5.8 million EUR, or 40.8%, to 8.4 million EUR for the first half year 2013. The decrease was primarily due to reduced consultancy services related to certain projects.

Interim employee costs decreased by 1.6 million EUR, or 9.5% to 15.5 million EUR for the first half year 2013. The decrease was mainly due to the outsourcing of the cleaning services and the renegotiation of the contracts with suppliers, partially offset by higher interim costs for subsidiaries.

Third party remuneration and fees increased by 2.7 million EUR, or 5.2%, to 55.6 million EUR for the first half year 2013. The increase was primarily due to the outsourcing of cleaning activities and higher needs for certain expert profiles.

Costs in respect of other services increased by 0.8 million EUR, or 11.3%, to 8.5 million EUR for the first half year 2013 from 7.7 million EUR for the first half year 2012 The increase was primarily related to the IPO listing fees. IPO costs were in total less than originally anticipated and were booked in Q2 2013.

Payroll costs

Payroll costs increased by 16.1 million EUR, or 2.7%, to 606.8 million EUR for the first half year 2013 from 590.7 million EUR for the first half year 2012. Non-recurring items represented a decrease in expenses of 21.1 million EUR in 2012. Changes of scope relate to the disposal of selected Certipost activities and the consolidation of Landmark Global with an impact of 0.3 million EUR for the first half year 2013.
Excluding the impact of the changes in scope and of the non-recurring items, payroll costs showed an underlying reduction of 4.7 million EUR or 0.8%. € 4.2 million EUR of this reduction was realized in the 2nd quarter.

The decrease in payroll costs is primarily due to the reduction in the average work force by 1,168 FTE compared to the first half of 2012, which generated savings of 25.9 million EUR, as a result of various productivity enhancement initiatives. The majority of units contributed to the reduction in headcount. Reorganizations and productivity programs in the postal logistic value chain, which includes distribution, sorting and collection, and in post offices continued to be implemented alongside the optimization of support activities such as Cleaning, Facility Management, ICT and Human Resources.

Furthermore, the recruitment of auxiliary postmen on lower salaries created a positive mix effect in payroll costs of 1.8 million EUR.

These positive effects were partially offset and by the cost of living increases in March 2012 and January 2013, which had a negative impact on payroll costs of 15.4 million EUR and by a less favorable evolution of rest and holiday arrears (1.0 million EUR). In addition, merit increases, promotions and higher year-end premiums had negative impacts on payroll costs of 5.7 million EUR.

Other operating expenses

Other operating expenses decreased by 11.8 million EUR to negative 3.9 million EUR for the first half year 2013. The decrease was primarily due to the recovery of VAT costs related to the year ended December 31, 2012, as the percentage of recoverable VAT increased in 2013 from 5% to 11%, with retroactive effect for 2012. The impact related to 2012 amounted to 5.2 million EUR. Another factor contributing to the decrease was the absence of a provision for onerous contracts for the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

Depreciation and amortization

Depreciation and amortization increased by 0.9 million EUR, or 2.0%, to 43.6 million EUR for the first half year 2013 from 42.8 million EUR for the first half year 2012.

Profit from operating activities (EBIT)

Profit from operating activities (EBIT) decreased by 6.1 million EUR, or 2.1%, to 282.4 million EUR for the first half year 2013, from 288.4 million EUR for the first half year 2012.

Excluding the non-recurring items, i.e. the gain on the disposal of selected activities of Certipost (14.6 million EUR) in 2013 and the recognition of an actuarial gain following the Collective Labour Agreement (21.1 million EUR) in 2012, EBIT is stable compared to 2012.

In spite of lower Domestic Mail volumes (-4.4%, excluding the impact of the working days), the lower compensation for SGEI (7.6 million EUR), the unfavorable phasing of the sale of buildings (4.3 million EUR) and lower revenues for settlements previous years' terminal dues, EBIT remained resilient, thanks to price increases, parcels performance and lower costs.

The following table presents profit from operating activities (EBIT) by operating segment for the first half year and the second quarter of 2013 and 2012:

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
MRS	278.7	285.3	-2.3%	132.8	152.8
P&I	11.1	14.8	-25.4%	6.8	8.4
Total EBIT of operating segments	**289.7**	**300.1**	-3.5%	**139.7**	**161.3**
Corporate (Reconciling category)	(7.4)	(11.7)	58.6%	(10.8)	(10.1)
Total EBIT	**282.4**	**288.4**	-2.1%	**128.9**	**151.2**

MRS operating segment

Profit from operating activities (EBIT) attributable to the MRS operating segment decreased by 6.6 million EUR, or 2.3%, to 278.7 million EUR for the first half year 2013. The recognition of an actuarial gain (shown as negative personnel expenses) following the Collective Labour Agreement signed in March 2012 positively influenced EBIT attributable to MRS (21.1 million EUR). In 2013, the gain on the disposal of selected activities of Certipost to Basware contributed to an improvement of the EBIT of MRS (15.2 million EUR). Excluding those two elements, EBIT attributable to the MRS operating segment remained stable year-over-year despite the decrease in compensation for SGEI.

P&I operating segment

EBIT attributable to the P&I operating segment decreased by 3.8 million EUR, or 25.4%, to 11.1 million EUR for the first half year 2013. The impact of the consolidation of Landmark Global (2.1 million EUR) is being offset by lower settlements of terminal dues (1.9 million EUR), costs associated with the Shop & Deliver project (2.1 million EUR) and an exceptional one-off cost related to Mail Services Inc (1.1 million EUR).

Corporate (reconciliation category)

Profit from operating activities (EBIT) attributable to the Corporate reconciliation category increased by 4.3 million EUR to negative 7.4 million EUR for the first half year 2013. This increase is primarily due to lower projects related costs, lower non allocated payroll costs and change in provisions. These positive impacts are partially counterbalanced by lower gain on disposals of buildings compared to the first half year 2012 and revenue recognition as amount of stamp sales and uploads of franking machines decreased.

Net financial costs

Net financial costs decreased by 14.6 million EUR to 3.8 million EUR for the first half year 2013. This evolution is mainly explained by the decrease of IAS 19 related financial costs (due to the increase in the discount rates), partly counterbalanced by a decrease in interest received as available cash and cash equivalents are reduced due to the capital reduction at year end 2012.

Share of results of associates

Share of results of associates increased by 6.8 million EUR to 12.2 million EUR for the first half year 2013. This improvement is mainly driven by an increased interest margin and higher financial revenues due to an arbitrage in the bond portfolio.

Income tax expense

The income tax expense increased by 9.8 million EUR to 109.3 million EUR for the first half year 2013. bpost's effective tax rate increased from 36.1% for the six months ended June 30, 2012 to 37.6% for the six months ended June 30, 2013, primarily as a result of the transfer of 21.3 million EUR from tax free reserves to distributable results and the payout of untaxed reserves of 30.3 million EUR. These transactions created respectively additional income tax liabilities of 7.3 million EUR and 10.3 million EUR respectively.

These impacts were partially compensated by the gain on the sale of Certipost (with effective tax rate of 0% as compensation for recoverable past fiscal losses) and the favorable evolution of the share of profit of associates.

5.2 Interim Consolidated Statement of Financial Position

In accordance with IAS 34, the statement of the financial position as at 30 June 2013 is compared with the situation as at 31 December 2012.

Assets

Property, plant and equipment

Property, plant and equipment decreased by 20.9 million EUR, or 3.6%, to 567.6 million EUR as of June 30, 2013. The decrease was due to depreciation and impairment of 36.3 million EUR for the six months ended June 30, 2013, partially offset by capital expenditures of 21.9 million EUR. The net transfer towards assets held for sale and investment property amounted to 6.5 million EUR.

Intangible assets

Intangible assets increased by 1.0 million EUR, or 1.0%, to 96.5 million EUR as of June 30, 2013.

Investments in associates

Investments in associates decreased by 3.9 million EUR, or 1.1%, to 347.7 million EUR as of June 30, 2013, reflecting the Company's contribution to the capital increase of bpost bank in the amount of 37.5 million EUR, a gain of 12.5 million EUR arising from the increase in fair value of bpost bank, which in turn resulted from an additional issue premium paid by BNP Paribas Fortis, and the Company's share of bpost bank's profit for the first half year 2013 in the amount of 12.2 million EUR. These factors were offset by a reduction in the unrealized gain on the bond portfolio in the amount of 66.1 million EUR, reflecting an average increase of the underlying yield curve with 20 basispoints (bps). As of June 30, 2013, investments in associates comprised net unrealized gains in respect of the bond portfolio in the amount of 159.4 million EUR, which represented 45.8% of total investments in associates. The unrealized gains were generated by the lower level of interest rates at the end of the second quarter of 2013 compared to the acquisition yields of the bonds. Unrealized gains are not recognized in the income statement but rather are recognized directly in equity in other comprehensive income.

Investment properties

Investment properties decreased by 2.2 million EUR, or 14.5%, to 13.0 million EUR as of June 30, 2013. The decrease was primarily due to the sales of buildings.

Deferred tax assets

Deferred tax assets decreased by 10.6 million EUR, or 17.4%, to 50.4 million EUR as of June 30, 2013. The decrease was due to the reduction in the difference between the Company's IFRS accounts for employee benefits, assets held for sale and provisions and the taxable base of these items.

Assets held for sale

Assets held for sale increased by 7.8 million EUR to 8.1 million EUR as of June 30, 2013 mainly due to the addition of two new buildings which are held for sale end of June.

Current trade and other receivables

Current trade and other receivables decreased by 66.4 million EUR, or 16.8%, to 328.2 million EUR as of June 30, 2013. The decrease was mainly driven by the settlement of the SGEI receivable for the last quarter of 2012.

Cash and cash equivalents

Cash and cash equivalents decreased by 79.5 million EUR, or 11.1%, to 633.7 million EUR as of June 30, 2013. The decrease is mainly explained by the capital reduction paid out to shareholders (144.5 million EUR), the repayment of the overcompensation by the State for the SGEI (123.1 million EUR) and the exceptional dividend payment (53.5 million EUR). This is partially compensated by the normalized operating free cash flow (238.9 million EUR).

Equity and Liabilities

Equity

Equity decreased by 74.6 million EUR, or 10.1%, to 663.1 million EUR as of June 30, 2013. The decrease was due to the capital decrease (144.5 million EUR) and the payment of the exceptional dividend of 53.5 million EUR. Furthermore, the decrease was also driven by the reduction of the fair value adjustment in respect of bpost bank's bond portfolio amounting to 66.1 million EUR, the impact of the IAS 19 corridor for an amount of 3.5 million EUR and the purchase of the remaining shares of MSI leading to a reduction in equity of 0.6 million EUR.

These elements were partially offset by the profit of 181.5 million EUR for the six months ended June 30, 2013 and by the gain of 12.5 million EUR resulting from an additional issue premium paid by BNP Paribas Fortis in connection with the capital increase of bpost bank.

Non-current interest-bearing loans and borrowings

Non-current interest-bearing loans and borrowings increased by 3.0 million EUR, or 3.7% to 85.7 million EUR, as of June 30, 2013 due to the conclusion of new leasing contracts within Speos.

Employee benefits

In Million EUR	As of 30 June 2013	As of 31 December 2012 Restated*	As of 31 December 2012
TOTAL	**(349.5)**	**(378.1)**	**(364.1)**
Post-employment benefits	(70.5)	(82.7)	(68.7)
Long -term employee benefits	(122.7)	(124.8)	(124.8)
Termination benefits	(19.4)	(28.8)	(28.8)
Other long-term benefits	(136.9)	(141.8)	(141.8)

* restated for IAS19R - see note 12.14 for more details

Employee benefits decreased by 14.6 million EUR, or 4.0%, to 349.5 million EUR as of June 30, 2013. The decrease mainly reflects the following:

- The payment of benefits in the amount of 25.4 million EUR, which included 7.9 million EUR for the payment of early retirement and part-time work benefits.
- The suppression of the corridor approach under IAS 19 as of 1st January 2013 resulting into the recognition of a loss cumulated at 31 December 2012 for 14.0 million EUR.
- An actuarial gain of 18.2 million EUR for the period including 10.1 million EUR related to the post employment benefits recognized through Other Comprehensive Income.
- Additionnal service costs and interest costs in the amount of 15.0 million EUR.

Non-current trade and other payables

Non-current trade and other payables decreased by 3.4 million EUR, or 4.1%, to 79.7 million EUR as of June 30, 2013. The decrease is explained by the acquisition in June 2013 of the remaining 20% of Mail Services Inc.'s shares.

Non-current provisions

Non-current provisions decreased by 0.4 million EUR, or 0.9%, to 41.6 million EUR as of June 30, 2013.

Current provisions

Current provisions decreased by 126.9 million EUR, or 90.3%, to 13.6 million EUR as of June 30, 2013. The decrease is mainly explained by the 2013 repayment of the SGEI overcompensation for the years 2011 and 2012 (123.1 million EUR).

Income tax payable

Income tax payable increased by 96.2 million EUR, to 100.8 million EUR as of June 30, 2013 and is mainly explained by the accrued local income taxes.

Current trade and other payables

Current trade and other payables decreased by 52.0 million EUR, or 6.8%, to 708.7 million EUR as of June 30, 2013. The decrease was driven by the payment of the fine imposed by the Belgian Competition Authority in the amount of 37.4 million EUR, a decrease in trade payables by 42.6 million EUR and the decrease in social security payables by 69.6 million EUR. The decrease of the latter is mainly a timing difference as 2012 full year social accruals (holiday pay, bonuses,..) have been paid during the H1 2013. These decreases are partially offset by a increase of the advance payment from the Belgian State in respect of compensation for SGEI in the amount of 68.8 million EUR, increased advances from customers (10.3 million EUR) and advances received to fund State related transactions (18.8 million EUR).

5.3 Interim Consolidated Statement of Cash Flows

Operating activities

The net cash outflow of the first half year amounts to 79.4 million EUR (30 June 2012: inflow of 32.8 million EUR). In 2013 the company paid 123.1 million EUR (30 June 2012: 300.8 million EUR) related to the SGEI overcompensation. In addition, a capital decrease of 144.5 million EUR and an exceptional dividend for 53.5 million EUR were paid out to the shareholders in 2013 (30 June 2012:0).

Operating activities generated a net cash inflow of 166.8 million EUR (30 June 2012: 52.3 million EUR). This variation of 114.5 million EUR compared to last year is mainly due to the repayment of SGEI overcompensation, which is 177.7 million EUR lower than last year.

Without the repayment of the SGEI overcompensation, operating activities generated 63.2 million EUR less cash inflow. This is mainly due to the payment of fine for competition claim in the first half of 2013 (37.4 million EUR), a flattered Q1 2012 evolution due to a late payment of Terminal Dues by another postal operator (20 million EUR) and the lower advance in 2013 for the SGEI remuneration (12 million EUR).

Investing activities generate a cash outflow of 51.0 million EUR compared to 19.1 million EUR last year. The variance is mainly explained by the capital increase of bpost bank (37.5 million EUR), the lower proceeds from sale of property, plant and equipment (5.3 million EUR), and the purchase of the remaining 20% shares of MSI (4.0 million EUR), partially compensated by the disposal of selected activities of Certipost (15.1 million EUR).

Cash flow from financing activities represents a cash-out of 195.2 million EUR, of which 144.5 million EUR is related to the capital decrease and 53.5 million EUR to exceptional dividends paid.

Net Cash, including cash and cash equivalents reduced by the amount of interest and non interesting bearing loans decreased by 80.7 million EUR during the first semester of 2013 to 537.9 million EUR (31 December 2012: 618.6 million EUR). The net cash decrease is mainly explained by the capital reduction paid out to shareholders (144.5 million EUR), the repayment of the overcompensation by the State for the SGEI (123.1 million EUR) and the exceptional dividend payment (53.5 million EUR). This is partially compensated by the normalized operating free cash flow (238.9 million EUR).

5.4 Reconciliation of Reported to Normalized Financial Metrics

A non-recurring item is deemed to be significant if it amounts to 20 million EUR or more. All profits or losses on disposals of activities are normalized regardless of the amount they represent. Reversals of provisions whose addition had been normalized from income are also normalized regardless of the amount they represent. All other normalizations must both be non-recurring and must amount to 20 million EUR or more.
The presentation of normalized results is not in conformity with IFRS and is not audited. The normalized results may not be comparable to normalized figures reported by other companies as those companies may compute their normalized figures differently from bpost. Normalized financial measures are presented below.

Income Statement related

OPERATING INCOME In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Total Operating Income	1,235.7	1,229.3	0.5%	603.0	612.7
Disposal of selected activities of Certipost (1)	(14.6)				
Normalized Total Operating Income	**1,221.1**	**1,229.3**	**-0.7%**	**603.0**	**612.7**

OPERATING EXPENSES In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Total operating excluding depreciation, amortization	(909.6)	(898.0)	1.3%	(451.2)	(440.0)
Non-recurring payroll costs (2)		(21.1)			(21.1)
Normalized total operating expenses excluding depreciation, amortization	**(909.6)**	**(919.2)**	**-1.0%**	**(451.2)**	**(461.2)**

EBITDA In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
EBITDA	326.0	331.2	-1.6%	151.8	172.6
Disposal of selected activities of Certipost (1)	(14.6)				
Modifications in employee benefit schemes (2)		(21.1)			(21.1)
Normalized EBITDA	**311.4**	**310.1**	**0.4%**	**151.8**	**151.5**

EBIT In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Profit from operating activities (EBIT)	282.4	288.4	-2.1%	128.9	151.2
Disposal of selected activities of Certipost (1)	(14.6)				
Modifications in employee benefit schemes (2)		(21.1)			(21.1)
Normalized profit from operating activities (EBIT)	**267.8**	**267.3**	**0.2%**	**128.9**	**130.0**

Profit of the year (EAT) In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Profit for the year	181.5	176.0	3.1%	82.1	86.4
Disposal of selected activities of Certipost (1)	(14.6)				
Modifications in employee benefit schemes (2)		(14.0)			(14.0)
Normalized profit of the period	**166.9**	**162.0**	**3.0%**	**82.1**	**72.4**

(1) The amount of 14.6 million EUR relates to the gain on the disposal of certain activities of Certipost to Basware. This disposal does not generate a tax charge, given that Certipost has tax losses carried forward and that no deferred tax asset was ever recorded.

[2] A collective labour agreement covering the period from 2012 to 2013 was signed between the Company and trade union representatives in March 2012. The agreement included a measure limiting the quota for sick days for statutory employees to 63 days instead of 300 days in exchange for a payment in respect of compensation for the days exceeding the new quota. The impact of this agreement is a reduction of the related plan and has led to the recognition of an actuarial gain (shown as negative personnel expenses) of 21.1 million EUR in 2012. This gain has been considered as non-recurring and is excluded from the normalized results. The impact of this gain on the earnings after tax amounted to 14.0 million EUR.

Cash Flow Statement related

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
Net Cash from operating activities	166.8	52.3	219.0%	(29.5)	(65.5)
Net Cash used in investing activities	(51.0)	(19.1)	166.4%	(23.8)	(0.5)
Operating free cash flow	**115.8**	**33.2**	**249.3%**	**(53.4)**	**(66.0)**
Deposits received from third parties	(0.0)	0.1	-149.3%	0.0	0.1
Payment relating to the decision of the European Commission [3]	123.1	300.8	-59.1%	34.2	25.8
Normalized operating free cash flow	**238.9**	**334.0**	**-28.5%**	**(19.2)**	**(40.2)**

[3] The amount of 123.1 million EUR relates to the non-recurring payment of the alleged overcompensation for which a provision was recorded in 2012 covering the period 2011-2012. In anticipation of the amount due, the Belgian state withheld in the first quarter of 2013 an amount equal to 88.9 million EUR from the outstanding balance of state compensation due in respect of 2012 under the 4th Management Contract. The balance due in the amount of 34.2 million EUR was paid in June 2013.

5.5 From IFRS Consolidated Net Profit to Belgian GAAP Unconsolidated Net Profit

In million EUR	H1 2013	H1 2012	Change %	Q2 2013	Q2 2012
IFRS Consolidated Net Profit	181.5	176.0	3.1%	82.1	86.4
Results of subsidiaries	-32.0	-7.9	304.5%	-13.1	-3.7
Other deconsolidation impacts	-0.8	-1.0	-18.2%	-0.4	-1.0
Differences in depreciation and impairments	-4.1	-8.5	-51.6%	-1.9	-6.8
Differences in recognition of provisions	-6.5	4.1	-259.8%	-3.8	0.3
Effects of IAS19	-19.2	-51.2	-62.5%	-6.9	-50.4
Deferred taxes	10.9	26.7	-59.2%	4.8	27.6
Other	0.9	0.6	39.2%	-0.2	4.4
Belgian GAAP unconsolidated net profit	130.7	138.7	-5.8%	60.5	56.8

The Company's unconsolidated profit after taxes prepared in accordance with Belgian GAAP can be derived from the consolidated IFRS profit after taxes in two stages.

The first stage consists of deriving the unconsolidated profit after taxes under IFRS, starting from the consolidated IFRS profit after taxes and:

- subtracting the results of the subsidiaries, i.e. removing the profit after tax of the subsidiaries; and
- eliminating any other income statement impact the subsidiaries had on the Company (such as impairments) and adding the dividends received from these subsidiaries.

The table below sets forth a breakdown of the results of the subsidiaries under local GAAP:

In million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
Profit of the Belgian fully consolidated subsidiaries	17.2	1.1	1.1	1.0
Profit of the international subsidiaries	2.8	0.7	2.5	0.3
Share of profit of bpost bank	12.0	6.1	9.6	2.5
Total	32.0	7.9	13.1	3.7

The profit of the Belgian fully consolidated subsidiaries was positively influenced by the sale of selected activities of Certipost in the first half of 2013 (14.6 million EUR).

The second stage consists of deriving the Belgian GAAP figures from the IFRS figures and is achieved by reversing all IFRS adjustments made to local GAAP figures. These adjustments include, but are not limited to, the following:

- Differences in the treatment of depreciation and impairments: Belgian GAAP allows different useful lives (and hence depreciation rates) for fixed assets from IFRS. Goodwill is amortized under Belgian GAAP while IFRS requires an impairment testing for goodwill. IFRS also allows intangible assets to be recorded on the balance sheet under different conditions from Belgian GAAP;
- Recognition of provisions is subject to different criteria under Belgian GAAP and IFRS;

- IFRS requires that all future obligations to personnel be recorded as a liability under IAS 19, whereas Belgian GAAP has no such obligation. The evolution year-over-year of IAS 19 is mainly explained by the collective labour agreement covering the period 2012-2013 signed in March 2012 between the Company and the representatives of the workforce which approved the measure limiting the quota of days of sickness of civil servants to 63 days instead of 300 days in exchange for a payment of compensation for the days exceeding the new quota. The impact of this agreement was a reduction of the provision (27.5 million EUR) of the Accumulated Compensated Absences (ACA) for which no provision is foreseen in BGAAP and which led to the recognition of an actuarial gain of 21.1 million EUR. Furthermore, the changes in the discount rates for the future obligations are recorded as financial result (positive impact of 15.4 million EUR in 2013 compared to 2012).

- Deferred taxes are not an accounting concept under Belgian GAAP, but are recorded under IFRS.

6 Outlook

bpost expects revenue to remain stable in the entire year 2013. The economic climate is expected to continue to have a negative effect on the advertising industry and on the profitability of the company's customers. Lower overall advertising spend will continue to affect advertising mail volume. Pressure on bpost's client profitability coupled with electronic substitution will continue to affect transactional mail and the volume of periodicals. On the other hand, growth in e-commerce should result in parcels volume growth, as observed in the first half of the year.

bpost will continue to enhance productivity throughout the organization by implementing its various long-term initiatives. At the same time, discretionary expenses will be focused on strategic projects in order to maintain profitability in a difficult volume environment.

bpost confirms that it should be able to at least maintain its full year EBITDA and EBIT results on a normalized basis (the 2012 figures had been affected by non-recurring costs).

bpost's Q1 and to a much lesser extent Q2 operating free cash flow has been impacted by some non recurring events such as the repayment of the alleged overcompensation relating to the years 2011 and 2012 or the fine paid following the decision of the competition authorities. No such outflows are expected for the second half of the year which should follow the normal seasonality of cash flow. As expected, net capital expenditures should not exceed 90 million EUR. bpost's first half included investments in the capital of bpost bank and the acquisition of the 20% it did not own in its US subsidiary MSI Worldwide. No such investments are anticipated for the second half of the year.

Unaudited Interim Condensed Consolidated Financial Statements

7 Interim Consolidated Income Statement

In million EUR	NOTES	H1 2013	H1 2012	Q2 2013	Q2 2012
Turnover	12.7	1,214.1	1,216.0	600.4	603.9
Other operating income	12.8	21.6	13.2	2.5	8.8
Total operating income		**1,235.7**	**1,229.3**	**603.0**	**612.7**
Materials cost		(15.3)	(16.5)	(7.5)	(8.1)
Services and other goods		(291.4)	(282.9)	(141.7)	(146.4)
Payroll costs		(606.8)	(590.7)	(300.4)	(283.7)
Other operating expenses	12.9	3.9	(8.0)	(1.7)	(1.9)
Depreciation, amortization		(43.6)	(42.8)	(22.9)	(21.5)
Total operating expenses		**(953.3)**	**(940.8)**	**(474.1)**	**(461.5)**
Profit from operating activities (EBIT)		**282.4**	**288.4**	**128.9**	**151.2**
Financial income		1.2	4.2	0.4	1.6
Financial cost	12.10	(5.0)	(22.6)	(2.6)	(13.1)
Share of profit of associates	12.11	12.2	5.4	9.7	2.4
Profit before tax		**290.7**	**275.4**	**136.4**	**142.1**
Income tax expense	12.12	(109.3)	(99.5)	(54.3)	(55.6)
Profit for the period		**181.5**	**176.0**	**82.1**	**86.4**
Attributable to:					
Owners of the Parent		180.2	175.5	81.2	86.3
Non-controlling interests		1.3	0.5	0.9	0.1

In May 2013, the shareholders' meeting decided to split the shares. The total number of shares amounts to 200,000,944 shares post stock split (before stock split 409,838 shares). Calculated with the new number of shares, earnings per share for the first half year of 2013 and 2012 are:

EARNINGS PER SHARE In EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
►basic, profit for the year attributable to ordinary equity holders of the parent	0.90	0.88	0.41	0.43
►diluted, profit for the year attributable to ordinary equity holders of the parent	0.90	0.88	0.41	0.43

8 Interim Consolidated Statement of Comprehensive Income

In million EUR	H1 2013	H1 2012 restated	H1 2012
Profit for period	**181.5**	**176.0**	**176.0**
Fair value for financial assets available for sale by associates	(66.1)	132.2	132.2
(Loss)gain on available for sale financial assets	(100.2)	194.3	194.3
Income tax effect	34.1	(62.1)	(62.1)
Fair value of actuarial results on defined benefit plans	7.4	(9.7)	
Actuarial (losses)/gains on defined benefit plans	10.1	(12.3)	
Income tax effect	(2.7)	2.6	
Non-controlling interests	0.0	0.0	0.0
Other comprehensive income for the year, net of tax [(1)]	**(58.7)**	**122.5**	**132.2**
Total comprehensive income for the year, net of tax	**122.7**	**298.4**	**308.1**
Attributable to:			
Owners of the Parent	121.4	297.9	307.6
Non-controlling interest	1.3	0.5	0.5

[(1)] Net other comprehensive income is not being reclassified to profit or loss in subsequent periods.

9 Interim Consolidated Statement of Financial Position

In million EUR	NOTES	As of 30 June 2013	As of 31 December 2012 Restated*	As of 31 December 2012
Assets				
Non-current assets				
Property, plant and equipment		567.6	588.5	588.5
Intangible assets		96.5	95.5	95.5
Investments in associates	12.13	347.7	351.6	351.6
Investment properties		13.0	15.2	15.2
Deferred tax assets		50.4	64.2	61.0
Trade and other receivables		1.0	0.9	0.9
		1,076.1	**1,115.9**	**1,112.8**
Current assets				
Assets held for sale		8.1	0.3	0.3
Inventories		7.4	7.0	7.0
Income tax receivable		0.3	0.1	0.1
Trade and other receivables		328.2	394.6	394.6
Cash and cash equivalents		633.7	713.2	713.2
		977.7	**1,115.3**	**1,115.3**
Total assets		**2,053.8**	**2,231.2**	**2,228.1**
Equity and liabilities				
Equity attributable to equity holders of the Parent				
Issued capital		364.0	508.5	508.5
Treasury shares		0.0	0.0	0.0
Reserves		117.7	214.6	225.5
Retained earnings		181.5	3.7	3.7
		663.1	**726.8**	**737.7**
Non-controlling interests		(0.0)	(0.0)	(0.0)
Total equity		**663.1**	**726.8**	**737.7**
Non-current liabilities				
Interest-bearing loans and borrowings		85.7	82.7	82.7
Employee benefits	12.14	349.5	378.1	364.1
Trade and other payables		79.7	83.1	83.1
Provisions		41.6	42.0	42.0
Deferred tax liabilities		1.3	1.3	1.3
		557.8	**587.1**	**573.1**
Current liabilities				
Interest-bearing loans and borrowings		9.4	11.2	11.2
Bank overdrafts		0.2	0.3	0.3
Provisions	12.15	13.6	140.5	140.5
Income tax payable	12.16	100.8	4.6	4.6
Trade and other payables		708.7	760.7	760.7
		832.9	**917.3**	**917.3**
Total liabilities		**1,390.6**	**1,504.4**	**1,490.4**
Total Equity and liabilities		**2,053.8**	**2,231.2**	**2,228.1**

* restated for IAS19R

10 Interim Consolidated Statement of Changes in Equity

(in million EUR)	Attributable to equity holders of the parent						
	Authorized and issued capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2012	**783.8**	**(14.0)**	**64.0**	**(57.4)**	**776.4**	**0.8**	**777.3**
Profit for the period				175.5	175.5	0.5	176.0
Other comprehensive income *			65.2	57.3	122.5		122.5
Total comprehensive income	**0.0**	**0.0**	**65.2**	**232.8**	**297.9**	**0.5**	**298.4**
Dividends (Pay-out)					0.0		0.0
Treasury shares					0.0		0.0
At 30 June 2012	**783.8**	**(14.0)**	**129.2**	**175.4**	**1,074.3**	**1.3**	**1,075.7**

(in million EUR)	Attributable to equity holders of the parent						
	Authorized and issued capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
As per 1 January 2013 *	**508.5**	**0.0**	**214.6**	**3.7**	**726.8**	**0.0**	**726.8**
Profit for the period				180.2	180.2	1.3	181.5
Other comprehensive income *			(55.0)	(3.7)	(58.7)		(58.7)
Total comprehensive income	**0.0**	**0.0**	**(55.0)**	**176.4**	**121.4**	**1.3**	**122.7**
Capital Decrease	(144.5)				(144.5)		(144.5)
Dividends (Pay-out)			(53.5)		(53.5)	(0.1)	(53.6)
Treasury shares					0.0		0.0
Other (1)			11.6	1.3	12.9	(1.2)	11.7
At 30 June 2013	**364.0**	**0.0**	**117.7**	**181.5**	**663.1**	**0.0**	**663.1**

* Restated for IAS19R

(1) reflects mainly the counterpart of the impact of the issue premium in bpost bank. See note 12.13

11 Interim Consolidated Statement of Cash Flows

In Million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
Operating activities				
Profit from operating activities (EBIT)	282.4	288.4	128.9	151.2
Depreciation and amortization	43.6	42.8	22.9	21.1
Impairment on bad debts	(0.2)	1.4	0.2	1.0
Gain on sale of property, plant and equipment	(3.0)	(7.3)	(0.6)	(6.2)
Gain on the sale of Certipost activities	(14.6)		0.0	0.0
Change in employee benefit obligations	(20.9)	(73.7)	(12.1)	(61.6)
Interest received	1.2	4.2	0.4	1.5
Interests paid	(2.5)	(4.8)	(1.2)	(3.4)
Dividends received	0.0	0.0	0.0	0.0
Income tax paid	(1.1)	(0.4)	(0.2)	(0.2)
Cash flow from operating activities before changes in working capital and provisions	**284.8**	**250.5**	**138.3**	**103.3**
Decrease/(increase) in trade and other receivables	68.3	76.6	(2.1)	(5.6)
Decrease/(increase) in inventories	(0.4)	0.2	(0.2)	(0.3)
Increase/(decrease) in trade and other payables	(58.7)	21.3	(130.6)	(138.8)
Deposits received from third parties	(0.0)	(0.1)	0.0	0.0
Repayment of SGEI overcompensation	(123.1)	(300.8)	(34.2)	(25.8)
Increase/(decrease) in provision related to the SGEI overcompensation	0.0	0.0	0.0	0.0
Increase/(decrease) in other provisions	(4.1)	4.6	(0.8)	1.7
Net Cash from operating activities	**166.8**	**52.3**	**(29.5)**	**(65.5)**
Investing activities				
Proceeds from sale of property, plant and equipment	4.0	9.3	0.9	6.8
Disposal of subsidiaries, net of cash disposed of	15.1	0.0	0.0	0.0
Acquisition of property, plant and equipment	(21.9)	(18.8)	(15.5)	(6.1)
Acquisition of intangible assets	(6.9)	(9.6)	(5.5)	(1.2)
Acquisition of other investments	0.0	(0.1)	0.0	0.0
Acquisition of subsidiaries, net of cash acquired	(3.7)	0.0	(3.7)	(0.0)
Capital increase bpost bank	(37.5)	0.0	0.0	(0.0)
Net cash used in investing activities	**(51.0)**	**(19.1)**	**(23.8)**	**(0.5)**
Financing activities				
Capital decrease	(144.5)	-	(144.5)	0.0
Net change in financing lease liabilities	2.9	(0.3)	2.9	(0.1)
Exceptional dividend	(53.5)		(53.5)	
Dividends paid to minority interests	(0.1)	(0.1)	0.0	(0.1)
Net Cash from financing activities	**(195.2)**	**(0.4)**	**(195.1)**	**(0.2)**
Net increase in cash and cash equivalents	**(79.4)**	**32.8**	**(248.5)**	**(66.2)**

Cash and cash equivalent less bank overdraft	712.9	1,142.1
Cash and cash equivalents as of 1st January	**712.9**	**1,142.1**
Cash and cash equivalent less bank overdraft	633.4	1,174.8
Cash and cash equivalents as of 30th June	**633.4**	**1,174.8**
Movements between 1st January and 30th June	**(79.4)**	**32.8**

12 Notes to the Interim Condensed Consolidated Financial Statements

12.1 Corporate Information

The interim condensed consolidated financial statements of bpost for the first six months ended 30 June 2013 were authorized for issue in accordance with a resolution of the Board on August 7th, 2013.

Business activities

bpost and its subsidiaries (hereafter referred as 'bpost') provide national and international mail services comprising the collection, transport, sorting and distribution of mail, parcels, printed documents, newspapers as well as addressed and non-addressed documents.

bpost, through its subsidiaries and business units, also sells a range of other products and services, including postal, banking and financial products, express delivery services, document management and related activities. bpost also carries out SGEI activities on behalf of the State.

Legal status

bpost is a limited-liability company under public law of Belgium. bpost has its registered office at the Muntcentrum-Centre Monnaie, 1000 Brussels.

12.2 Basis of preparation and accounting policies

Basis of preparation

These interim financial statements are subject to review by the independent auditor (see statement of limited review – note 13).

The interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the bpost's annual financial statements as at 31 December 2012.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the bpost's annual financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations effective as from 1 January 2013.

IAS 19 Revised includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss. Other amendments don't have an impact on bpost or simply include new disclosures, such as, quantitative sensitivity disclosures.

In case of bpost, the transition to IAS19 Revised had an impact on the net post-employment benefit obligations due to the recognition of actuarial gains and losses (for these which occur as from 1 January 2013 and for these unrecognised at 31 December 2012) in total in other comprehensive income. bpost previously recognised only the cumulative actuarial gains and losses, which exceeded 10% of the greater of the defined benefit obligation and the fair value of the plan assets, over two years. The effect of the adoption of IAS 19 Revised is explained in Note 12.14.

Following new standards and amendments, entered into force as from 1 January 2013, don't have any effect on the presentation, the financial performance or position of bpost:

- **IAS 1** – Presentation of items of Other Comprehensive Income
- **IFRS 13 –** Fair value Measurement
- **IFRS 7 –** Financial Instruments: Disclosures – Offsetting of financial assets and financial liabilities
- **IFRIC 20** – Stripping costs in the production phase of a surface mine
- **Improvements to IFRS - 2009-2011 cycle :**
  - **IFRS 1 –** Repeat application and Borrowing costs
  - **IAS 1 –** Clarification of the requirement for comparative information
  - **IAS 16 –** Classification of servicing equipment
  - **IAS 32 –** Tax effects of distributions to holders of equity instruments
  - **IAS 34 –** Interim financial reporting and segment information for total assets and liabilities

Standards and Interpretations not yet applied by bpost

The following new IFRS Standards and IFRIC Interpretations, which are yet to become mandatory, have not been applied by bpost for the preparation of its interim condensed consolidated financial statements.

Standard or interpretation	Effective for in reporting periods starting on or after
IFRS 9 – Financial Instruments –Classification and Measurement	1 January 2015
IFRS 10 – Consolidated Financial Statements	1 January 2014
IFRS 11 – Joint Arrangements	1 January 2014
IFRS 12 – Disclosure of Interests in Other Entities	1 January 2014
IAS 27 – Amendment to IAS 27	1 January 2014
IAS 28 - Amendment to IAS 28	1 January 2014
IAS 32 – Financial Instruments: Presentation – Offsetting of financial assets and financial liabilities	1 January 2014
Amendments to IFRS 10, IFRS 11, IFRS 12- Transition guidance - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities	1 January 2014
Various – Annual improvements to IFRS	na

Standards and Interpretations applied by bpost

As at 30 June 2013, the accounting policies of bpost are in compliance with the IAS / IFRS Standards and Interpretations SIC / IFRIC listed below:

International Financial Reporting Standards (IFRS)

- **IFRS 2** – Share-based Payment
- **IFRS 3** – Business Combinations (issued in 2004) for acquisition completed before 1 January 2010
- **IFRS 3** – Business Combinations (Revised in 2008)
- **IFRS 5** – Non-current Assets Held for Sale and Discontinued Operations

- **IFRS 7** – Financial Instruments: Disclosures
- **IFRS 8** – Operating segments

International Accounting Standards (IAS)

- **IAS 1** – Presentation of Financial Statements
- **IAS 2** – Inventories
- **IAS 7** – Statement of Cash Flows
- **IAS 8** – Accounting Policies, Changes in Accounting Estimates and Errors
- **IAS 10** – Events after the Reporting Period
- **IAS 12** – Income Taxes
- **IAS 16** – Property, Plant and Equipment
- **IAS 17** – Leases
- **IAS 18** – Revenue
- **IAS 19** – Employee Benefits
- **IAS 21** – The Effects of Changes in Foreign Exchange Rates
- **IAS 23** – Borrowing costs
- **IAS 24** – Related Party Disclosures
- **IAS 27** – Consolidated and Separate Financial Statements (Revised in 2008)
- **IAS 28** – Investments in Associates
- **IAS 32** – Financial Instruments: Presentation
- **IAS 33** – Earnings per share
- **IAS 34** – Interim Financial Reporting
- **IAS 36** – Impairment of Assets
- **IAS 37** – Provisions, Contingent Liabilities and Contingent Assets
- **IAS 38** – Intangible Assets
- **IAS 39** – Financial Instruments: Recognition and Measurement
- **IAS 40** – Investment Property

Interpretations SIC / IFRIC

- **IFRIC 1** – Changes in Existing Decommissioning, Restoration and Similar Liabilities
- **IFRIC 4** – Determining whether an Arrangement contains a Lease
- **IFRIC 10** – Interim Financial Reporting and Impairment
- **SIC 12** – Consolidation – Special Purpose Entities

The other standards currently endorsed by the EU and effective for the preparation of the 2013 interim condensed consolidated financial statements are not applicable in the context of bpost.

bpost has not early adopted any other standard, interpretation, or amendment that was issued but is not yet effective.

12.3 Seasonality of Operations

Pursuant to the 5th Management Contract, bpost is the provider of certain SGEI. These services include, among others, the operation of the retail network, the distribution of newspapers and periodicals, the distribution of electoral materials, the acceptance of cash deposits at post offices and the home delivery of state pensions and social allowances. bpost is compensated for providing these services based on a net avoided cost ("NAC") methodology.

Compensation on SGEI is equally distributed over the four quarters. During the year calculations are made according to the Net Avoided Cost methodology to ensure the remuneration is in line with the amounts recorded. This methodology provides that compensation shall be based upon the difference in the net cost between bearing or not the provision of SGEI. The compensation for providing the SGEI is subject to a cap, which will be adjusted to the extent the Belgian consumer price index exceeds 2.2% in a given year.

12.4 Summary of Significant Accounting Policies

The accounting policies and methods of bpost are consistent with those applied in the 31 December 2012 consolidated financial statements.

12.5 Business Combinations

In June 2013 bpost NV-SA acquired the remaining 20% of Mail Services Inc. for a price of 5.3 million USD (4.0 million EUR). This transaction led to a deduction of equity by 0.6 million EUR as the related financial liability was underestimated by the same amount.

12.6 Operating Segments

The table below presents revenue information about bpost's operating segments:

In million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
MRS	1,022.7	1,031.5	502.7	512.0
P&I	195.5	171.9	97.2	89.6
Total operating income of operating segments	**1,218.2**	**1,203.4**	**599.9**	**601.6**
Corporate (Reconciling category)	17.4	25.8	3.1	11.1
Total operating income	**1,235.7**	**1,229.3**	**603.0**	**612.7**

Inter-segment sales are immaterial. There is no internal operating income.

Excluding the remuneration received to provide the services as described in the Management Contract (see note 12.7), no single external customer exceeds 10% of bpost's operating income.

The following table introduces the revenues from external customers attributed to Belgium and to all foreign countries in total from which bpost derives its revenues. The allocation of the revenues of the external customers is based on their location.

In million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
Belgium	1,127.9	1,163.8	548.7	581.9
RoW	107.7	65.4	54.3	30.8
Total operating income	**1,235.7**	**1,229.3**	**603.0**	**612.7**

The following tables present EBIT and EAT information about bpost's operating segments for the period ended 30 June 2013 and 2012:

In million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
MRS	278.7	285.3	132.8	152.8
P&I	11.1	14.8	6.8	8.4
Total EBIT of operating segments	**289.7**	**300.1**	**139.7**	**161.3**
Corporate (Reconciling category)	(7.4)	(11.7)	(10.8)	(10.1)
Total EBIT	**282.4**	**288.4**	**128.9**	**151.2**

In million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
MRS	278.7	285.3	132.8	152.8
P&I	11.1	14.8	6.8	8.4
Total EAT of operating segments	**289.7**	**300.1**	**139.7**	**161.3**
Corporate (Reconciling category)	(108.3)	(124.2)	(57.6)	(74.9)
Total EAT	**181.5**	**176.0**	**82.1**	**86.4**

The recognition of an actuarial gain (shown as negative personnel expenses) following the Collective Labour Agreement signed in March 2012 positively influenced EBIT attributable to the MRS operating segment in 2012. In 2013 the gain on the disposal of selected activities of Certipost to Basware contributed to an improvement of the EBIT of the MRS operating segment. Excluding those two elements, EBIT attributable to the MRS operating segment remained stable year-over-year.

EBIT attributable to the P&I operating segment decreased by 3.8 million EUR, or 25.4%, to 11.1 million EUR for the first half year 2013. The decrease was primarily due to lower settlements of terminal dues (1.9 million EUR) and costs associated with the start-up of the Shop & Deliver project, which had an impact of 2.1 million EUR. The remaining decrease was mainly due to an increase in transport costs related to the international mail product line and exceptional one-off costs related to MSI (1.1 million EUR).

Financial income, financial costs, share of profit of associates and income tax expenses are all included in the reconciling category "Corporate".

The following table provides detailed information on the reconciling category "Corporate":

In million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
Operating Income	**17.4**	**25.8**	**3.1**	**11.1**
Central departments (Finance, Legal, Internal Audit, CEO, …)	(33.0)	(35.3)	(15.6)	(20.2)
Other reconciliation items	8.2	(2.2)	1.7	(1.0)
Operating expenses	**(24.8)**	**(37.5)**	**(13.9)**	**(21.2)**
EBIT Corporate (Reconciling category)	**(7.4)**	**(11.7)**	**(10.8)**	**(10.1)**
Share of profit of associates	12.2	5.4	9.7	2.4
Financial Results	(3.8)	(18.4)	(2.2)	(11.6)
Income Tax expense	(109.3)	(99.5)	(54.3)	(55.6)
EAT Corporate (Reconciling category)	**(108.3)**	**(124.2)**	**(57.6)**	**(74.9)**

Profit from operating activities (EBIT) attributable to the Corporate reconciliation category improved by 4.3 million EUR to negative 7.4 million EUR for the first half year 2013 from negative 11.7 million EUR for the half year of 2012. This improvement is primarily due to lower project related costs, lower non allocated payroll costs and change in provisions. These positive impacts are partially counterbalanced by lower gain on sales of buildings compared to the first half year 2012 and deferred revenue recognition as amount of stamp sales and uploads of franking machines decreased.

Assets and liabilities are not reported per segment in the company.

12.7 Turnover

In million EUR	H1 2013	H1 2012	Q2 2013	Q2 2012
Turnover excluding the SGEI remuneration	1,062.2	1,056.6	524.5	524.2
SGEI remuneration	151.9	159.4	75.9	79.7
	1,214.1	**1,216.0**	**600.4**	**603.9**

12.8 Other Operating Income

In October 2012, the company has reached an agreement with the Finnish group Basware on the sale of the activity of electronics document exchange as of January 2013. This transaction generated a cash inflow of 15.1 million EUR and a gain of 14.6 million EUR in the first quarter of 2013.

12.9 Operating Expenses

Other operating expenses decreased by 11.8 million EUR to negative 3.9 million EUR for the first half year 2013, as the percentage of recoverable VAT increased in 2013 from 5% to 11%, with retroactive effect for 2012. The impact related to 2012 amounted to 5.2 million EUR. Another factor contributing to the decrease was the absence of a provision for onerous contracts for the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

12.10 Financial Costs

Net financial costs decreased by 14.6 million EUR to 3.8 million EUR for the first half year 2013. This evolution is mainly explained by the decrease of IAS 19 related financial costs (due to the discount rate evolution), partly counterbalanced by a decrease in interest received as available cash and cash equivalents are reduced due to the capital reduction at year end 2012.

12.11 Share of Profit of Associates

Share of results of associates increased by 6.8 million EUR to 12.2 million EUR for the first half year 2013. This improvement is mainly driven by an increased interest margin and higher financial revenues due to an arbitrage in the bond portfolio.

12.12 Income Tax

Income tax expense increased by 9.8 million EUR to 109.3 million EUR for the first half year 2013 from 99.5 million EUR for the first half year 2012. This increase is mainly due to the tax expense (17.6 million EUR) associated with the exceptional dividend.

On 25 March 2013, an extraordinary shareholders' meeting of the Company approved a reduction in the legal reserve in the amount of 21.3 million EUR through the transfer to available reserves. Due to this transfer, and in accordance with the tax legislation, bpost provisioned an additional income tax to be paid of 7.3 million EUR.

On 7 June 2013, an exceptional dividend of 53.5 million EUR was approved by an extraordinary Shareholders' Meeting. The payment of this exceptional dividend, which occurred also on 7 June

2013, resulted, in accordance with the Belgian tax legislation, in the recognition of an additional tax expense of 10.3 million EUR as 30.3 million EUR of previously untaxed reserves were distributed.

12.13 Share of Investment in an Associate

On 20 March 2013, bpost banque/bpost bank completed an equity increase in the amount of 100 million EUR in order for bpost banque/bpost bank's equity to satisfy regulatory and prudential requirements (including Basel III capital requirements). bpost and BNPP Fortis contributed to this capital increase for 37.5 million EUR each. In the framework of the renewal of the contractual agreement between bpost and BNPP Fortis, the latter paid an additional amount of 25 million EUR as issue premium. As proportional ownership of bpost remained unchanged, the fair value of the investment in bpost banque/bpost bank increased by 12.5 million EUR.

12.14 Employee Benefits

IAS19R has been applied as from 1 January 2013. As a result, bpost recognizes all actuarial gains and losses related to the post-employment benefits directly in Other Comprehensive Income when they occur.

Until 2012, bpost has opted, in case of post-employment benefits, not to recognize actuarial gains and losses that remain within the corridor of 10% of the higher of either: the amount of the IAS 19 obligation or the fair value of the plan assets. The unrecognized actuarial losses cumulated at 31 December 2012 related to the post-employment benefits amounted to 14 million EUR (at 31 December 2011, 7.2 million EUR). The unrecognized actuarial losses cumulated and restated in Other Comprehensive Income at 30 June 2012 amount to 12.3 million EUR.

Impact of transition to IAS19R

Impact on interim condensed consolidated statement of financial position:

In Million EUR	As of 30 June 2013	As of 30 June 2012 Restated	As of 31 December 2012 Restated
Increase in the defined benefit plan obligation (non-current)	10.1	(12.3)	(14.0)
Increase in deferred tax assets (non-current)	(2.7)	2.6	3.1
Net impact on equity	**7.4**	**(9.7)**	**(10.9)**
Equity holders of the parent	7.4	(9.7)	(10.9)
Non-controlling interest	-	-	-

Impact on interim condensed consolidated income statement

In Million EUR	H1 2013	H1 2012 Restated	H1 2012
Increase in actuarial movements in OCI	(10.1)	12.3	-
Increase in tax effect on actuarial movements in OCI	2.7	(2.6)	-
Net increase in OCI, net of tax	**(7.4)**	**9.7**	**-**
Net increase in total comprehensive income	**(7.4)**	**9.7**	**-**
Attributable to equity holders of parent	(7.4)	9.7	-
Non-controlling interest	-	-	-

12.15 Current Provisions

Current provisions decreased by 126.9 million EUR, or 90.3%, to 13.6 million EUR as of June 30, 2013. The decrease is mainly explained by the 2013 repayment of the SGEI overcompensation for the years 2011 and 2012 (123.1 million EUR).

12.16 Income Tax Payable

Income tax payable increased by 96.2 million EUR, to 100.8 million EUR as of June 30, 2013 and is mainly explained by the accrued local income taxes.

12.17 Dividends

On 7 June 2013, an exceptional dividend of 53.5 million EUR (2012: 0 million EUR) was approved by an extraordinary Shareholders' Meeting. This represents a dividend of 0.27 EUR per share. The payment of this exceptional dividend occurred on 7 June 2013.

No other dividends were paid to the equity holders of the parent.

12.18 Contingent Liabilities and Contingent Assets

At June 30th 2013, bpost is not aware of any contingent assets and liabilities

12.19 Events After the Reporting Period

No significant events impacting the Company's financial position have been observed after the statement of financial position date.

13 Limited review report

Report of the joint auditors to the shareholders of bpost SA/NV, a company de droit public / van publiek recht on the review of the interim condensed consolidated financial statements as at 30 June 2013 and for the six month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of bpost SA/NV, a company de droit public/van publiek recht (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2013 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These Interim Condensed Consolidated Financial Statements show a consolidated statement of financial position total of € 2.053,8 million and a consolidated profit for the six month period then ended of € 181,5 million. Management is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" applicable to review engagements. 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 the 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 Interim Condensed Consolidated Financial Statements do not give a true and fair view of the financial position of the Group as at 30 June 2013, and of its financial performance and its cash flows for the six month period then ended in accordance with IAS 34.

Brussels, 7 August 2013

The Joint Auditors

Ernst & Young Bedrijfsrevisoren BCVBA	PVMD Bedrijfsrevisoren BCVBA
Represented by	Represented by
Eric Golenvaux	Lieven Delva
Partner	Partner