



INTERIM FINANCIAL REPORT  
of Le Groupe La Poste  
2013



LE GROUPE LA POSTE

*The English language version of this report is a free translation from the original which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.*

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## Responsibility statement



## Responsibility statement

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I certify, to my knowledge, the condensed financial statements for the half year are prepared in accordance with applicable accounting standards and give a true and fair view of assets and liabilities, financial position and profit or loss of the issuer and the subsidiaries included in the scope of consolidation, and the half-year activity report enclosed presents a true picture of the significant events that occurred during the first six months of the year, their impact on the accounts, main related-party transactions and a description of principal risks and uncertainties for the remaining six months of the year

Executed in Paris, 1 August 2013

Jean-Paul BAILLY  
Chairman and Chief Executive Officer



Management report  
Half-year 2013



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*NB 1: The financial data appearing in this document is taken from the Group's consolidated financial statements prepared in accordance with IFRS standards and published results.*

*NB 2: The amounts in the tables are generally provided in € million. Rounding may on occasion result in slight differences in totals or changes.*

## 1. 2013 first half highlights

### 1.1. Economic and financial environment: towards a potential gradual return of confidence

Owing to its banking activities, the Group is sensitive to interest rate fluctuations, and to a lesser extent to developments in the financial markets. Given its position in service activities, the various business lines of the Group are more generally influenced by economic conditions and by changes in labour costs, particularly in France. Lastly, oil prices and exchange rates, particularly against the US dollar, are significant drivers for both the logistics activities and the Group's international business activities.

#### 1.1.1. A slow recovery from the recession in the euro zone

During the first months of 2013, the euro zone experienced a sixth consecutive quarter of economic slowdown, i.e. the longest stretch since the creation of the euro in 1999.

However, the 0.2% decline in GDP recorded in the first quarter of 2013 is less than that of the previous quarter (-0.6%). Moreover, the German economy, which accounts for one-third of the euro zone by itself, returned to growth during the first quarter of 2013 (0.1%). The recession seems to have slowly abated, a cyclical low point having most likely been reached at the end of 2012.

Nevertheless, the economic situation in the euro zone remains in turbulence, which is reflected by both the rise in unemployment (12.1% in May 2013) and by weak inflation (the latter reached 1.6% at the end of June, year on year). The credit market has picked up slightly but remains weak.

#### 1.1.2. Unfavourable economic conditions in France

France experienced two consecutive quarters of decline (-0.2% during the last quarter of 2012 and in early 2013), the economic engines at a standstill: according to the INSEE (French National Institute for Statistics and Economic Studies) in the first quarter of 2013, household spending was down (-0.1%), as was business investment (-0.8%). Additionally, exports continued to fall (-0.5%), the foreign trade balance negatively affecting the change in GDP.

Within this context, the operating margin of companies (27.9% during the fourth quarter of 2012) reached its lowest level since 1986, and for the first time in 30 years, the purchasing power of households fell 0.9% in 2012, pushing French people to draw from their savings.

In order to meet the growth target of 0.1% in 2013 set by the government, and starting with a growth overhang of -0.3% at the end of March, the growth of the GDP over the next three quarters must be between 0.2% and 0.3%.

#### 1.1.3. Exceptionally low short-term interest rates and the onset of increases in long-term rates

During the first half of 2013, the European Central Bank (ECB) continued its accommodative policy initiated in 2012. This policy aims to avoid defaults from financial institutions or European governments by granting direct financing, or by implementing solidarity mechanisms at a European level.

Therefore, in May 2013, the ECB lowered its federal funds rate to 0.50% (versus 0.75% in April). Refinancing facilities, allowing banks to exchange their securities against cash, also remain specially open for unlimited amounts.

These measures have gradually restored investors' trust. Short-term interest rates of the major countries in the euro zone (Germany and France in particular) have remained at exceptionally low levels. Over the first half of the year, 3-month Euribor rates came to around 0.20% and Eonia rates to around 0.07%.

Long-term interest rates (OAT 10 years) have also remained at a historically low level, reaching its lowest point at the end of April 2013 at 1.65%. Since May, long-term interest rates have started going up again, to reach 2.35% as of 30 June 2013. At this stage, the French government bond is still perceived as an alternative to the German bond (Bund), while benefiting from a more attractive yield.

#### **1.1.4. A euro that sags slightly against the dollar**

In the exchange rate market, the euro slightly depreciated compared to the dollar during the first half of the year, notably due to a more dynamic economy in North America (1 Euro = 1.308 US dollars as of 30 June 2013 versus 1 Euro = 1.355 US dollars as of 31 December 2012).

#### **1.1.5. Oil price trends**

At the beginning of the year, oil prices peaked in February at \$116.4 per barrel of Brent crude from the North Sea. Since that time, the price per barrel of Brent crude has fluctuated at around \$100 (\$103 at the end of June). Generally, the price per barrel is subject to two contradictory forces:

- Higher prices from tension in the Middle-East (civil war in Syria, Iran's nuclear programme, troubles in Libya, protests in Egypt);
- Lower prices from sluggish global demand, while supply is being supported by the expansion of tight oil in the United States.

The reduced pace of growth globally and abundance of supply should cap prices for a few months. Within this context, the changes in oil prices recorded during the last few months are primarily due to monetary fluctuations: appreciation then depreciation of European currency compared to the dollar.

## **1.2. Regulatory environment**

### **1.2.1. A new public service agreement**

Commitments between La Poste and the French government were redefined by the "2013-2017 Business contract", approved by the Group's Board of Directors on 22 April 2013 and signed by all of the participating parties on 1 July 2013.

This contract includes the following:

- Maintaining a broad scope of public service missions assigned to La Poste: Universal Postal Service, Press transportation and delivery, Banking accessibility and Regional planning;
- Further reinforcement in the quality of service objectives (Priority mail, Registered letter and Lettre Verte);
- Missions adapted to meet users' expectations and technological advances (Online Letters, small goods shipping range);
- Commitments to citizens in favour of regional and business development, for those who are most disadvantaged, development of the digital society and in the area of corporate social responsibility.

For each of its missions, the concrete implications are as follows:

- Universal Postal Service Mission: the contract provides for several advances in terms of quality of service. A rendezvous clause was set for 2015 to adjust the contract according to the decrease in Mail volumes in particular, if necessary;
- Mission for press transportation and delivery: the commitments made by La Poste and the French government in the 2008-2015 Schwartz agreements were confirmed. A review of the terms for carrying out the mission beyond 2015 will be scheduled;
- Banking accessibility mission: this mission is confirmed. A think tank on its potential development is in progress by the General inspectorate of Finance and the General inspectorate of Social Affairs. It aims to shed light on the work involved in carrying out the mission beyond 2014;
- Regional planning mission: the contract defines the strategic directions of the "New Local Postal Coverage Agreement", which will be proposed to the AMF (French Association of Mayors) for the 2014-2016 period. An orientation report on the new contract project must be presented in July 2013 to the AMF.

The level of compensation currently defined in the 2013-2017 Business Contract could be impacted by the budgetary framing work currently in progress under the 2014 French Finance Bill.

### **1.2.2. Tax Credit to promote Competitiveness and Employment**

The "tax credit to promote competitiveness and employment" (CICE) aims to finance the improvement of the competitiveness of companies, notably through efforts pertaining to capital expenditure, research, innovation, training, recruitment, new market research, ecological and energy transition and restoring their working capital.

The CICE, which has been in effect since 1 January 2013, amounts to a decrease in social security contributions, which takes the form of a corporate tax credit. In 2013, the CICE rate amounted to 4% of remuneration paid to employees during a calendar year not to exceed 2.5 times the French minimum wage, then 6% starting in 2014.

Since 1 January 2013, the CICE has been recorded as a decrease in payroll expenses and allocated automatically in this way to each of the business lines. However, there will be no impact on the Group's cash flow generation in 2013 (tax credit generated in 2013 chargeable in 2014, at the earliest, amounting to the tax due for 2013).

The CICE will, despite the unfavourable economic context, safeguard the Group's employment policy in an economically sustainable way (in particular, a commitment to recruit 15,000 people between 2012 - 2014) and to ensure its development over the long term thanks to a controlled but ambitious level of capital expenditure, including capital expenditure for eco-friendly modernisation and development.

### **1.2.3. Changes in the banking environment**

- Since 1 January 2013, the ceiling for the Livret A passbook savings account was raised to €22,950. The ceiling had already been raised 25% on 1 October 2012, from €15,300 to €19,125.
- The yield of the Livret A passbook savings account has been lowered from 2.25% to 1.75% since 1 February.
- The European Union's adoption of the directive and the CRD IV/CRR law rearranging Basel III and the initial projects and discussions around banking law in France.

## **1.3. External growth and expansion of the Group's business portfolio**

### **1.3.1. Expansion of Cross-border mail to the United Kingdom**

Asendia (2012 revenue of approximately €400M at 100%) is a joint company created in July 2012 by the French and Swiss postal operators to manage cross-border mail.

In April 2013, Asendia acquired the international mail business activities of Pitney Bowes in the United Kingdom.

The British subsidiary of Pitney Bowes International Mail Services makes nearly £15 million in revenue (i.e. €17.5 million) and offers international mail delivery services to customers towards more than 215 countries, particularly to companies in the financial and publishing sector.

Already present in the United Kingdom with €105 million in revenue in 2012, Asendia has thus strengthened its position in these two segments by winning new customers and developing its range of delivery solutions for publications or business correspondence.

### **1.3.2. Continued development of Express**

On 28 February 2013, Chronopost took a 40% stake in "Colizen", a company specialised in delivery by appointment in Paris. Colizen's revenue totalled €2.7 million in 2012. In the medium term, Chronopost, the French company specialised in express delivery, wants to offer this service in significant urban areas and establish a new standard of express delivery which will increase customer satisfaction and the rate of deliveries made on the first carrier.

At the end of the first half of 2013, DPD UK acquired a land located close to a grade separated interchange in the East Midlands with a view to setting up the largest parcel platform in Europe. This platform, with a capacity to handle 70,000 packages per hour, will eventually cover 65% of the parcel business activities of DPD in the United Kingdom.

GeoPost, which invested in 2.5% of the share capital of Tigers in 2011, took control of the company in June 2013 by acquiring an additional 63% stake. At the end of June, GeoPost therefore held close to 66% of the share capital of this international Freight Forwarding company present in Asia (China), the United States, Europe and Australia. This acquisition allows GeoPost to expand its business activities to a related business line, to develop synergies at the business and operational levels and to present an alternative offer to that of integrated operators. In 2012, Tigers made €170 million in revenue.

At the beginning of July 2013, GeoPost took a 42.5% stake in "DTDC", a parcel delivery company based in India. DTDC has a rapidly growing revenue of over €70 million and employs 7300 people.

### **1.3.3. Broadening La Banque Postale's business portfolio**

La Banque Postale Collectivités Locales, 65% held by La Banque Postale and 35% held by Caisse des Dépôts, was launched in March 2013. This subsidiary provides services pertaining to marketing loans granted by La Banque Postale to local authorities and to hospitals. La Banque Postale Collectivités Locales has intermediary status in bank transactions and hosts the customer reception telephone platform as well as the analysis department. After the roll-out of La Banque Postale's financing offer during the second half of 2012, the creation of La Banque Postale Collectivités Locales marks the completion of the implementation of the system for financing the local public sector.

As announced at the end of last year, on 2 April 2013, La Banque Postale acquired la Banque Privée Européenne (BPE) from the cooperative bank Crédit Mutuel Arkéa. This acquisition was made following exclusive negotiations launched in October 2012 to acquire a 100% interest in BPE. BPE has a robust platform for high net-worth customers as well as a range of products and financial services combining credit and savings management offerings. Through this acquisition, La Banque Postale would like to bolster the service offered to its high net-worth customers by offering a comprehensive range of products and services adapted to their needs.

La Banque Postale also became 100% owner of LBP Gestion Privée on 27 June 2013, following the purchase of shares held by Oddo et Compagnie.

### **1.3.4. New La Poste Mobile commercial offerings**

La Poste Telecom, operating under the trademark "La Poste Mobile", offers a service that is marketed in 10,000 post offices. La Poste Mobile is the leading physical telephone services distribution network in France. Backed by this presence, since 28 January 2013, it has penetrated the BtoB market.

On 22 April, La Poste Mobile launched the QUATRO offer. This combines the SFR box (Internet, Television and landline telephone services) and contract mobile telephone services from La Poste Mobile. The operator, 51% of which is held by Le Groupe La Poste, has thus expanded its range with an ADSL offering and a quadruple play offer (4 products in one package) and can now offer its customers a comprehensive range of telecommunications products and services at very competitive rates. The improvement of the La Poste Mobile catalogue will help create loyalty among part of its 748,000 customers.

## 1.4. Securing the Group's financial structure

### 1.4.1. La Poste capital increase: third and final payment

As part of the €2.7 billion capital increase of La Poste to which the French government and Caisse des Dépôts subscribed, a third and final payment of €600 million was made in April 2013 through the exercise of equity warrants (100 million new shares created). Caisse des Dépôts now holds 26.3% of the share capital and voting rights of Le Groupe La Poste.

As of 30 June 2013, the Group's consolidated equity (Group share) amounted to €8.1 billion and the 'Net Debt <sup>(1)</sup>/ Capital Base' ratio was brought back to 0.36, giving the Group a particularly sound financial structure.

### 1.4.2. Augmentation of La Banque Postale's capital base

In order to support the development of La Banque Postale over the long-term while preparing for the tighter solvency requirements imposed by the "Basel III" regulations, during its Board of Directors meeting held on 4 July 2013, the Group approved a €1 billion increase of La Banque Postale's capital base before the end of the year.

This increase in capital base will be carried out as an issue of hybrid securities wholly subscribed by La Poste SA for €0.8 billion as a capital increase of €0.2 billion.

## 1.5. The Group's commitment to responsible development

### 1.5.1. Carbon neutral and Recy'go rewarded

Le Groupe La Poste received two awards as part of the "Fair Business Communication Awards", sponsored by the Ministry of Ecology, Sustainable Development, Transport and Housing:

- The "Carbon Neutral" campaign carried out in 2012 by the Mail Division received the 1st prize award in "Editing and Publishing".
- The 'La Poste Business Solutions' campaign, associated with the launch of Recy'go (a paper collection and recycling offer for SMEs and local authorities launched in 2012), was awarded the Audience Award in the Press Advertising category.

At the same time, the Mail Division received the "Top Com d'or" award in the BtoB advertising category for its advertising campaign dedicated to Recy'go. Recy'go also received a special sustainable development Top Com award which rewards communication strategies promoting sustainable development actions, according to the directives of the Grenelle Environmental Act and the ARPP (Professional Advertising Regulation Authority).

### 1.5.2. Collection and recycling of ink cartridges with Cart'Touch

Cart'Touch is a company that brings together 15 printer brands committed to promoting sustainable practices and responsible management of used cartridges.

With La Poste, Cart'Touch innovates by offering for the first time voluntary collection of used ink cartridges for companies. In 4 departments, starting on 14 January and for a period of 6 months, collection trays will be available in approximately one hundred Corporate Customer Areas. The cartridges are then shipped via the postal network to Ateliers du Bocage, an association derived from the Emmaüs movement, which is responsible for sorting and recycling them.

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<sup>(1)</sup> The Group's Net Debt does not take into account banking activities for which this concept is not relevant

### **1.5.3. The initiative to combat banking exclusion**

“The initiative to combat banking exclusion” is a think tank and action group created by La Banque Postale in October 2012 and launched in the first half of 2013. It brings together committed players from the social and voluntary sphere such as ATD Quart Monde, Croix-Rouge française (French Red Cross), Restos du Coeur and Secours Catholique, who offer their support to the initiatives of the public authorities and share their knowledge and know-how to develop new operational proposals to combat banking exclusion.

This open club welcomes all other stakeholders from the social, voluntary and banking sphere who identify with its objectives, and wish to develop new initiatives to combat banking and financial exclusion.

### **1.5.4. Envol rewarded, La Banque Postale campus laureate of Mecenova trophies**

Envol, La Banque Postale's campus, was honoured on 3 April as part of the Pro durable trade show (sustainable development and CSR tradeshow) in Paris. In the presence of Philippe Wahl, Chairman of the Executive Board of La Banque Postale and certain sponsors and students, La Banque Postale was awarded the Mecenova France trophy for this programme designed to promote equal opportunities.

## **1.6. La Poste, a responsible employer**

### **1.6.1. A company committed to well-being at work**

On 22 January 2013, La Poste management and the FO, CFDT, CGC-UNSA and CFTC unions signed an agreement on the quality of life at work. The agreement applies to all postal workers and has a duration of 3 years. It was signed following the Major Dialogue led within the company in 2012. It makes detailed and innovative commitments in terms of improving the quality of life at work.

This agreement defines 17 measures that are effective immediately and 8 supplementary negotiation projects. Among these measures are, in particular:

- The introduction of job redesign systems for seniors, state employees and employees;
- The introduction of telecommuting, on a voluntary basis;
- An employee-relations warning system regarding compliance with employee-relations rules and collective agreements;
- Training new managers as soon as they take up their duties;
- Turning 3,000 temporary contracts into permanent contracts, with better seniority transfer conditions.

During the first months of 2013, four of the eight supplementary negotiations announced, potentially regarding measures that had already begun, were also initiated: professional advancement of postal workers, organisation of work, telecommuting, and health at work.

Negotiations on telecommuting was achieved last 25 June upon signing an agreement between La Poste management and the CGT, FO, CFDT, CGC-UNSA and CFTC unions. In addition to the immediate measures, this agreement aims to allow postal workers to achieve a better work-life balance and support the employment of disabled postal workers. The introduction of telecommuting is also a part of the prevention of risks policy (road safety, stress, etc.) and the company's sustainable development strategy (less travel and therefore less Co2 emissions).

The four other negotiations regarding social dialogue, the creation of a Group authority, the executive staff policy and the HR function, will begin at the end of summer.

The Group places well-being at work at the core of its goal: to be an organisation in motion, adapting its business activities to the pace of its environment, fully respectful of people and where changes must also provide postal workers with real opportunities for acknowledgement and development, beyond solely job stability.

### **1.6.2. One of the leading players in the employment market in France**

Le Groupe La Poste leads a responsible employment policy which drives it to monitor its workforce and its payroll in a very uncertain economic environment, while asserting itself as one of the leading players in the French employment market:

- Objective of recruiting 15,000 people during the 2012-2014 period; more than 2,000 hirings under permanent contract were thus carried out during the first half of 2013, including 544 employees previously employed under temporary contract;
- Employment policy which supports the integration of young people and social inclusion: objective of 1,000 "emplois d'avenir" (a government sponsored employment contract for young people) in 2013-2014 with a rapid hiring outlook under permanent contract, employment policy under apprenticeship contracts and internships; since the first half of 2013, more than 300 people have been recruited under "emplois d'avenir";
- Employment policy which also favours adjusting business activities of seniors, which continues a policy of moving employees recruited under temporary contract to permanent contract, and which confirms the desire to welcome and maintain employment of people with disabilities or reduced abilities;
- Negotiation in progress on professional development (see above) which includes the implementation of the "contrat de génération" system (a government policy promoting employment of both young people and seniors).

### **1.6.3. Promote a strong and shared management culture**

The Group's goal is to promote a new postal management model which reinforces support, mobilisation, cooperation, efficiency and well-being at work for postal workers.

This is achieved by developing "responsible management", attentive to the individual situation of the agents and aware of new forms of professional risks. It results in a better trained management, which is better supported, freed of certain non-essential restraints and having more autonomy.

Serving this goal, in 2013, the Group created the "Institute of Management" to equip managers with a strong and shared culture.

## 1.7. A new strategic project for the Group

### 1.7.1. A new world and a degraded environment

The Group's new strategic project falls within a shattered economic environment, which is a source of threats and opportunities:

- The digital revolution, which leads all of the Group's business lines to change with accelerated digitisation of production and exchange flows, but also opportunities in growth markets to seize;
- The intensification of the economic and monetary crisis in Europe, bringing the Group to revise assumptions on which the previous plan was built;
- The revolution in delivery, with the advent of the "multi-channel" and the ongoing development of e-commerce, which helped alter physical distribution and sparked the appearance of new players in the segments on which the Group has significant advantages to assert;
- The growth in demand of local mail services and home services, in line with the ageing of the population and the key issue of "last mile logistics" for a Group which has a unique network in France.
- A change in expectations and behaviours of customers, postal workers, elected officials and citizens towards an increase in service customisation, improved quality of life at work, a stronger role of La Poste in society and greater corporate social and environmental responsibility.
- A shattered banking environment with the introduction of more restrictive regulatory standards and increased competition between major networks of retail banking in France.

### 1.7.2. An ambitious participative approach

Within this context, and with the increase in expectations expressed during the Major Dialogue over the course of 2012, with a view to working with all of the involved parties as closely as possible to redefine its strategy, at the beginning of 2013 the Group began consulting postal workers to develop its new strategic project.

More than 150,000 employees thus participated in 24,000 workshops and nearly 46,000 contributions were received. This process also brought together all of the other stakeholders: elected officials, consumer associations, unions, shareholders and members of the Board of Directors.

This process aimed to allow everyone to experience changes in the Group and to look ahead to the future.

### 1.7.3. The Group's ambition

Le Groupe La Poste, a public service corporation founded on trust, strives to be a player in the responsible development of society, contributing to the country's economic success, to the individual development of postal workers as well as to the dynamic of the regions and their social cohesion.

La Poste strives to become the leader in delivery and home services with Mail, Parcels-Express and the Retail Brand. La Poste also strives to become a benchmark citizen bank throughout the country as well as a global player in Parcels-Express by advancing its digital transformation and convergence of physical and digital networks.

It will achieve this by preserving its good economic health, an assurance that its public service missions were successfully completed, that it is continuously improving in customer satisfaction, in quality of life at work for postal workers and in its ability to grow in new business activities.

This ambition, which rejects any sense of slowing, is to build a future for La Poste with all stakeholders a future of shared trust.

#### **1.7.4. Defining a new approach**

The Group's goal is to be based on a new approach developed around four supplementary strategic developments, the last three of which will be made up of future projects which are in the process of being developed:

1. To accelerate the actions in progress in each of the business lines in both modernising the industrial facilities and in commercial development;
2. Reinforce the Group's digital transformation and convergence of its physical and digital networks; More generally, roll out the Group's digital strategy;
3. Make La Poste the leader in delivering local mail services and home services;
4. Think more in-depth about external growth opportunities in France and abroad.

#### **1.7.5. Responsible development based on 3 pillars**

In order to be sustainable, this new approach must be based on three fundamental pillars which are central to the Group's values:

- Good economic health, which is vital for the Group in order to ensure sustainable growth in its different business lines, maintain a quality social model, support a development policy in its production tools, continue to successfully carry out its public service missions and provide reasonable remuneration to its shareholders;
- This good economic health is defined as the ability to self-finance current business activities and ensure reasonable profitability of share capital committed as well as maintain a credit rating that allows the Group to sustainably finance its growth;
- Vigilance concerning quality of life at work, made concrete by the agreement dated 22 January 2013 and based on very strong staff policies, negotiated and rolled out over the long-term;
- Excellence in quality of service to customers, successfully carrying out our public service missions and related citizen commitments.

## 2. Summary of Le Groupe La Poste consolidated results

	2013.06	2012.06	Half year ended 30 June			
			Change		Change at constant scope and exchange rates	
(€ million)			(€m)	(as a %)	(€m)	(as a %)
<b>Operating performance of the Group</b>						
<b>Operating revenue</b>	<b>10,948</b>	<b>10,887</b>	<b>+61</b>	<b>+0.6 %</b>	<b>-27</b>	<b>-0.3 %</b>
Of which non-banking operating revenue <sup>(a)</sup>	9,920	9 934	-14	-0,1 %	+0	0.0 %
<b>Operating profit/(loss)</b>	<b>483</b>	<b>632</b>	<b>-149</b>	<b>-23.6 %</b>	<b>-146</b>	<b>-23.1 %</b>
Operating margin	4.4 %	5.8 %	-	-1.4 pt	-	-1.3 pt
<b>Net Profit Group Share</b>	<b>396</b>	<b>437</b>	<b>-40</b>	<b>-9.3 %</b>	<b>-37</b>	<b>-8.5 %</b>
Net margin	3.6 %	4.0 %	-	-0.4 pt	-	-0.3 pt
<b>Funds from Operations <sup>(b)</sup></b>	<b>724</b>	<b>757</b>	<b>-33</b>	<b>-4.4 %</b>		
<b>Key figures - La Banque Postale</b>						
<b>Net Banking Income</b>	<b>2,760</b>	<b>2,668</b>	<b>+92</b>	<b>+3.4 %</b>	<b>+79</b>	<b>+3.0 %</b>
Operating ratio	83.2 %	83.9 %	-	-0.7 pt		
Core Tier 1 (Basel II) <sup>(c)</sup>	11.2 %	12.6 %	-	-1.4 pt		
Loans/deposits ratio	64.0 %	50.8 %	-	+13.2 pt		

(a) Before the elimination of intra-group (inter-company) invoicing to La Banque Postale.

(b) Funds from Operations: Cash flows from operating activities before the change in working capital and cash held at post offices and after financial expenses. (see section 5.1).

(c) After first-half 2013 weighting of CNP securities as required by the "Autorité de Contrôle Prudentiel" (French Prudential Oversight Authority) (impact of -0.3% on Core Tier 1 Ratio).

	2013.06	2012.12	Change	
			(€m)	(as a %)
<b>Economic Health Indicators of the Group</b>				
<b>Net debt <sup>(a)</sup></b>	<b>2,903</b>	<b>3,460</b>	<b>-557</b>	<b>-16.1 %</b>
<b>Capital base (Group Share)</b>	<b>8,084</b>	<b>7,470</b>	<b>+614</b>	<b>+8.2 %</b>
Average FFO <sup>(b)</sup> /Net Debt	31.4 %	27.7%	-	+3.7 pt
Net Debt/Equity	0.36	0.46	-	-0.1 pt
Net Profit <sup>(c)</sup> /Equity	5.4 %	6.4 %	-	-1.0 pt

(a) The Group's Net Debt does not take into account banking activities for which this concept is not relevant.

(b) Average FFO: Funds From Operations over a trailing 12 month basis.

(c) Net profit over a trailing 12 month basis.

Le Groupe La Poste's operating revenue amounted to €10,948 million at the end of June 2013, an increase of 0.6% compared to the first half of 2012.

Operating revenue breaks down as follows:

	Half year ended 30 June					
	2013.06	2012.06	Change		Change at constant scope and exchange rates	
(€ million)			(€m)	(as a %)	(€m)	(as a %)
Mail	5,639	5,827	-188	-3.2 %	-252	-4.4 %
Parcels-Express	2,837	2,695	+142	+5.3 %	+132	+5.0 %
Banking activities	2,760	2,668	+92	+3.4 %	+79	+3.0 %
Other segments and intercompany	-288	-302	+14	-4.7 %	+14	-4.7 %
<b>OPERATING REVENUE</b>	<b>10,948</b>	<b>10,887</b>	<b>+61</b>	<b>+0.6 %</b>	<b>-27</b>	<b>-0.3 %</b>

The Group's €61 million increase in operating revenue comes from the following elements:

- Organic growth: -€27 million (i.e. -0.3%)
- Scope effect: +€103 million, including Sofipost (+€65 million) and GeoPost (+€25 million)
- Exchange rate effect: -€15 million

Business activities during the first half of 2013 were marked by the following elements:

- Decrease in Mail revenue of 3.2 % compared to the previous year, resulting firstly from a decrease of almost 6% in volume of the parent company, reduced by the price increase introduced in January 2013. To offset the decrease in volumes, Mail has committed to an active innovation policy aiming to promote the value of mail and offer new services thanks to the unrivalled local network formed by mail carriers now connected by smartphone (FACTEO project).

Sofipost's contribution strengthened with €600 million in revenue (within the Mail sector), a 7.7% increase driven by external growth. Organic growth recorded a slight decline (-1.3%) in a difficult economic climate.

- The confirmed growth of Parcels-Express (+5.3 %). Parcels performed well in a difficult competitive environment and recorded a +1.9% increase in sales compared to 2012, propelled the growth of its volumes. Express also saw significant organic growth, particularly in the United Kingdom, France and Russia.
- A 3.3% increase in La Banque Postale's NBI over the 1<sup>st</sup> half of 2012, after a restatement for the home-savings provision and non-recurrent income in 2012 resulting from the cancellation of a provision for the check scanning fine, notably marked by an increase in credit revenue and customer commissions.
- La Poste Mobile, which is included in the "Other segments and intercompany" line, generated €36 million in revenue on a Group share basis (51%). This entity was consolidated via the proportional consolidation method, which represents 5.7% growth compared to 2012, mainly due to the success of its new SIM-only mobile plans.

Operating profit totalled €483 million, a 23.6% drop compared to 2012.

	Half year ended 30 June					
	2013.06	2012.06	Change		Change at constant scope and exchange rates	
(€ million)			(€m)	(as a %)	(€m)	(as a %)
Mail	327	470	-143	-30.4 %	-142	-30.4 %
Parcels-Express	182	210	-28	-13.3 %	-26	-12.6 %
Banking activities	403	348	+55	+15.9 %	+57	+16.3 %
Retail Brand	-53	-39	-14	+34.3 %	-14	+34.3 %
Real Estate	36	72	-36	-50.0 %	-36	-50.0 %
Support and Structures	-107	-99	-8	+8.6 %	-1	+0.9 %
Unallocated	-302	-330	+29	-8.7 %	+22	-6.6 %
Consolidation adjustments	-3	1	-4	n/a	-5	n/a
<b>OPERATING PROFIT/(LOSS)</b>	<b>483</b>	<b>632</b>	<b>-149</b>	<b>-23.6 %</b>	<b>-146</b>	<b>-23.1 %</b>

This trend can be explained by:

- A sharp increase in La Banque Postale's net profit of €55 million, primarily resulting from the increase in interest rates tied to loans to customers, as well as from an effort to control running costs.
- A downturn in Mail's operating profit which fell €143 million (-30.4%) following the almost 6% decrease in volumes of the parent company during the first half of 2013. Adjusting the organisations, innovation and improving productivity could only partially offset the drop.
- Despite the good performance recorded in the Parcels-Express business line, its revenue posted a €28 million decrease compared to 2012. This decline is due to the negative price/mix effect on revenue, an increase in some internal billings for ColiPoste and continued unfavourable change in operating costs from the business line in Germany for 2013, not to mention the launch of new projects aiming to continually improve the quality of service offerings, the effects of which will only be felt gradually.
- Operating profit for Real Estate is down €36 million compared to 2012 following lower capital gains from disposals for the first half of 2013. However, it remains positive at €36 million.
- Operating profit for the Retail Brand is down €14 million to -€53 million as of the end of June 2013, mainly following movements on HR provisions.

After taking into account financial profit/(loss) of -€113 million, overall stable compared to 2012, a tax expense of €83 million and share of profit of equity associates of €112 million, net profit/(loss) Group share amounted to €396 million in 2013, a -€40 million drop versus 2012.

Funds from Operations (€724 million) fell €33 million at the end of June 2013, primarily due to a decrease in EBITDA excluding banking activities (-€134 million) following the reduction of Mail traffic, partially offset by a rise in dividends received from La Banque Postale for 2012 of €72 million.

However, the Group's financial structure was strengthened in 2013 thanks to the payment of the third and final tranche of the capital increase to which the French government and Caisse des Dépôts were committed, i.e. €600 million. The Group's net debt <sup>(2)</sup> thus fell €557 million as of 30 June 2013 to amount to €2,903 million. The FFO <sup>(3)</sup>/Net Debt ratio reached 31.4% and the Net Debt/Capital Base ratio decreased 0.10 points and came to 0.36 as of the end of June 2013.

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<sup>(2)</sup> The Group's Net Debt does not take into account banking activities for which this concept is not relevant.

<sup>(3)</sup> FFO: Cash flows from operating activities before the change in working capital (and including cash held at post offices) and after interest expenses paid.

### 3. Operating profit/(loss) per business line

Segment reporting is presented in accordance with IFRS 8 "Operating Segments". The definition of operating segments is based on the existing management structure within Le Groupe La Poste. A business line is a distinguishable component for which separate financial information is available and regularly reviewed by the Group's Executive Management for the purpose of allocating resources and assessing performance.

The criteria selected to define the business lines specifically include: type of products delivered, type or category of customers for whom they are intended, production process, distribution network and regulatory environment

The operating sectors reported by Le Groupe La Poste are as follows:

- Mail: the entire La Poste Mail business including collection, sorting, and delivery of letter post, advertising and newspapers, as well as the Sofipost subgroup companies;
- Parcels-Express: Parcels represents the entire business activity performed by La Poste under the ColiPoste brand (BtoC in France). Express includes the Group's Express BtoB and BtoC business activities in France and abroad under the GeoPost subgroup brands, and especially DPD, Chronopost, Exapaq and SEUR;
- Banking activities: includes the Banking and Insurance activities of La Banque Postale subgroup and the shared resources unit;
- Retail Brand: sale and distribution to retail customers of Le Groupe La Poste products and services, together with mobile telephone services;
- Real Estate: includes Poste Immo's real estate portfolio management activities, and La Poste's Real Estate Operations Department;
- Shared Services: head office support and services departments;
- Unallocated: includes the costs of the Universal Postal Service, the costs of the regional planning assignment, the discount on corresponding local taxes, and lastly, the transitional costs relating to end-of-career mechanisms considered as cross-entities to the Group and therefore not allocated to the business lines.

Each business line's operating revenue corresponds to the total revenue connected to the business line, including intra-Group (intercompany) billing, but excluding inter-business line billing.

<b>2013.06</b>									
(€ million)	Mail	Parcels-Express	Banking activities	Retail Brand	Real Estate	Support and Structures	Unallocated	Elim.	Group
Operating revenue	5,639	2,837	2,760	2,078	435	409	0	-3,210	10,948
Operating expenses	-5,312	-2,655	-2,357	-2,130	-399	-517	-302	3,207	-10,464
<b>OPERATING PROFIT/(LOSS)</b>	<b>327</b>	<b>182</b>	<b>403</b>	<b>-53</b>	<b>36</b>	<b>-107</b>	<b>-302</b>	<b>-3</b>	<b>483</b>
% of operating revenue	5.8 %	6.4 %	14.5 %						4.4 %

<b>2012.06</b>									
(€ million)	Mail	Parcels-Express	Banking activities	Retail Brand	Real Estate	Support and Structures	Unallocated	Elim.	Group
Operating revenue	5,827	2,695	2,668	2,088	398	420	0	-3,210	10,887
Operating expenses	-5,357	-2,485	-2,320	-2,127	-326	-519	-331	3,212	-10,254
<b>OPERATING PROFIT/(LOSS)</b>	<b>470</b>	<b>210</b>	<b>348</b>	<b>-39</b>	<b>72</b>	<b>-99</b>	<b>-330</b>	<b>1</b>	<b>632</b>
% of operating revenue	8.1 %	7.8 %	13.0 %						5.8 %

### 3.1. Mail

The Mail business line includes all of La Poste parent company's Mail business (i.e. pick-up, sorting and delivery of letter post, advertising and press publications), as well as the companies of the Sofipost subgroup, which are positioned in growing diversification markets:

- Mediapost Communication: relationship marketing and local communications;
- Docapost: document and data management solutions and services;
- Viapost: logistics solutions, e-commerce logistics and transport;
- Asendia: processing and transport of cross-border mail, company created in July 2012 and held jointly with Swiss Post.

(€ million)	Half year ended 30 June			
	2013.06	2012.06	Change	
			(€m)	(as a %)
Revenue	5,639	5,827	-188	-3.2 %
<i>of which external revenue</i>	5,322	5,512	-190	-3.5 %
Operating expenses	-5,312	-5,357	+45	-0.8 %
<b>OPERATING PROFIT/(LOSS)</b>	<b>327</b>	<b>470</b>	<b>-143</b>	<b>-30,4 %</b>
<i>% of revenue</i>	5.8 %	8.1 %		-2.3 pt

#### 3.1.1. Parent Company Mail

Revenue for the first half of 2013, which totalled €5,039 million, fell by 4.4% (€213 million) compared with 30 June 2012.

This change was due to an almost 6% decline in the volume of activities during the first half of 2013, with an impact of -€251 million. This is the result of the rationalisation and digitisation of items from some large mail issuing customers, the weakness of distant selling companies' advertising activities and continued economic pressure. This reduction was accompanied by a negative mix effect and by decreased services and international business for an amount of -€38 million. However, at 30 June 2012, revenue also benefited from the postal items handled for the presidential and legislative elections, for an amount of €66 million.

These negative effects on volumes were partially offset (€124 million) by the rate increase that took effect on 1 January 2013.

To offset the decline in volume, Mail also committed to an active innovation policy to enhance the value of the mail and offer new services, thanks to the unparalleled local branch network formed by mail carriers, who are now connected via smartphone (the FACTEO project).

Quality of service – Mail's primary objective – is reflected in a record D+1 priority mail delivery rate for the first half 2013 of 87.9%, compared with 87.6% in June 2012 (+0.3 pts).

#### 3.1.2 Sofipost

Sofipost's first half 2013 revenue totalled €600 million, up €43 million (7.7%), led by external growth (2012 acquisitions of Orium, Morin, Adverline and Cabestan).

Changes by unit vary:

- Mediapost Communication posted revenue of €238 million, up €14 million, of which €21 million was associated with changes in scope (Adverline and Cabestan acquisitions at the end of June and in August 2012, respectively). Organic change of -€6 million (-2.9%) was the result primarily of reduced printed advertising volumes in France in a difficult economic context.
- Docapost revenues totalled €208 million, up +€2 million (+1%). The expected weakening of the

Cheque activity was offset by growth in all other activities, specifically digitisation and desktop publishing.

- Viapost revenue (€48 million) rose by €28 million, including €34 million resulting from changes in scope (inclusion of Orium and Morin in August 2012 and January 2013, respectively). Organic change of -€6 million was due primarily to the historical logistics activity, with an unfavourable basis for comparison following the services provided in connection with the 2012 elections. The activities of this unit are still primarily Group-focused, specifically via processing of press publications and logistics activity for Parent Company Mail (revenues before elimination of €246 million in intra-group flows for the first half of 2013).
- Asendia's revenue was stable at €106 million (for the 50% held by the Group). Excluding changes in scope and exchange rate movements, organic growth totalled €3 million (+3%), thanks to the business of the subsidiaries based in the United Kingdom, Germany and the United States.

### 3.1.3 Other key Mail segment indicators

Internal revenue flows between Parent Company Mail and Sofipost totalled €346 million (absolute value) for the 1<sup>st</sup> half of 2013. These mutual services cover the following:

- €78 in Mail services to Sofipost; primarily the distribution of Mediapost's printed advertising materials in rural areas and the franking of Asendia's international mail;
- €268 million in Sofipost services provided to Mail, primarily covering the following:
  - services to Mediapost, for assembling printed advertising materials,
  - services to Viapost through STP (newspaper sorting and transport) and Neolog (transport of leaflets).

Overall, the consolidated operating profit/(loss) of the Mail segment, which totalled €327 million, reflects a €143 million decrease compared with 30 June 2012, or a decrease of -30.4% (€142 million decrease at constant scope and exchange rates). This decrease is associated with the structural decline of mail volumes and a difficult economic environment, which also impacts the business of the Sofipost unit. The rise in mail prices, the innovation policy and the cost savings achieved through improved organisation and optimised transport and delivery only partially offset the effects of the decrease in business activity, which reached a record level due to the recession.

## 3.2. Parcels-Express

The "Parcels-Express" segment includes the activities of ColiPoste and GeoPost:

- ColiPoste specialises in the rapid delivery of BtoC or CtoC parcels weighing up to 30 kg to private individuals in France, with a service quality level that has been set on 2-day delivery;
- GeoPost covers the Express activities in France and abroad under the following main brands: DPD, Chronopost, Exapaq and SEUR. The unit's subsidiaries have historically been involved primarily in the business-to-business (BtoB) segment, but are increasingly involved in the business-to-consumer (BtoC) segment.

The deferred effects of the acquisitions that occurred in 2012: purchase of new SEUR franchises during the first half of 2012 (Zamora and Guadalpack), purchase of Biocair and acquisition of control of IBC led to a positive scope effect for GeoPost of +€28 million for the first half of 2013.

(€ million)	Half year ended 30 June			
	2013.06	2012.06	Change	
			(€m)	(as a %)
Revenue	2,837	2,695	+142	+5.3 %
<i>o/w external revenue</i>	2,816	2,674	+142	+5.3 %
Operating expenses	-2,655	-2,485	-170	+6.8 %
<b>OPERATING PROFIT/(LOSS )</b>	<b>182</b>	<b>210</b>	<b>-28</b>	<b>-13.3 %</b>
<i>% of revenue</i>	6.4 %	7.8 %		-1.4 pt

### 3.2.1 ColiPoste

Despite a gloomy economic environment in France, ColiPoste's business increased during the first half of 2013. Revenue at the end of June 2013 stood at €767 million, a €14 million increase compared with June 2012 (+1.9%). This growth was due primarily to a 3.8% increase in traffic (+€29 million) excluding working-day effect, an unfavourable working-day effect of -1.6%, or -€12 million, and a negative price/mix effect of -0.3%, or -€2 million, due to the increase of the relative share of major accounts in the customer portfolio.

The volume of BtoC Colissimo products rose (5.5%), supported by the solid growth of e-commerce, while CtoC product volumes were stable (despite the unfavourable impact of the working-day effect at the end of June) and Coliéco volumes continued to decline, falling -8%.

Quality of service at the end of June 2013 remained at the same high levels as in June 2012, with a 94% delivery rate on D+2.

ColiPoste launched the "Satisfaction 2015" project during the first half of the year, which involves a set of four sustainable performance commitments: Customers (proposing innovations and strengthening the customer relationship based on a high level of quality for deliveries), Teams (encouraging team spirit and developing talent), Company (ensuring rapid growth and improving competitiveness) and Environment (guaranteeing CO2-neutral delivery, acting as a responsible order placer).

### 3.2.2 GeoPost

GeoPost sales in the first half of 2013 increased regularly, month to month, reaching €2,070 million at the end of June 2013, a €127 million increase (+6.6%) over 2012. Excluding changes in scope (+€28 million) and exchange rate movements (-€15 million), GeoPost posted organic growth of €114 million (+6%). As in the case of the parcels market, this revenue increase is based on an 8.6% increase in traffic (€168 million), reduced by a negative working-day effect of €17 million and an unfavourable price/mix effect of €37 million (product mix, customer mix and country mix).

Revenue changes by geographic area are consistent with last year's trends:

- Significant organic growth of United Kingdom subsidiaries (+16.3%) due to a sharp increase in volumes on the domestic market, as well as in international business;
- Increased sales in France; Exapaq at +4% and Chronopost at +6%, connected to increased volumes. Chronopost showed strong volume performance across all products, specifically with regard to products delivered to collection points and large account volumes, but was accompanied by a drop in average sale prices;
- Continued growth in the Benelux subsidiary (+9%), driven by growing international volumes. Export volumes represent two-thirds of this subsidiary's activity, given the specifics of the local market;
- The Spanish subsidiaries showed a positive trend (+5%) after two years of decline. This improvement is the result of a business recovery plan launched in 2012, resulting in the acquisition of market share. The price effect is unfavourable compared with the first half of 2012, but after several months of decline, the average sale price stabilised (specifically, the average unit weight of parcels has been maintained);
- The German subsidiary's sales rose by 1%. This increase was primarily due to a favourable price effect, while volumes have dropped slightly;
- The Eastern European subsidiaries continued to grow (+10.5%), led by a volume that rose 11%.

### **3.2.3 Other Parcels-Express key indicators**

Internal revenue flows between the ColiPoste unit and the GeoPoste unit totalled €29 million for the first half of 2013.

Operating profits at the end of the first half of 2013 for the Parcels-Express sector stood at £182 million, representing an operating margin of 6.4%, down €28 million compared with June 2012.

This decrease is attributable to the negative price/mix effect on revenue, an increase in certain internal billing for ColiPoste, the likely continuation of unfavourable change in the segment's operating costs in Germany for 2013, as well as to the launch of new projects designed to produce continuous improvement in the quality of the service offering, which will take hold gradually. Faced with these negative effects, Coliposte responded by strengthening its commercial activities and launching a cost control programme; these actions will produce a positive impact during the second half of 2013.

### 3.3. Banking Activities

This business segment includes La Banque Postale, its subsidiaries and the shared resources unit set up by La Poste and La Banque Postale and governed by a cost-sharing agreement. All expenses incurred by the shared resources unit (primarily the payroll costs for La Poste employees working exclusively for La Banque Postale) are re-invoiced at cost to La Banque Postale.

#### 3.3.1 Economic and financial environment

The economic and financial environment (see 1.1) was marked by:

- Stable short-term interest rates at historically low levels, despite the reduction in excess bank reserves (repayment of LTRO<sup>4</sup>): Eonia below 0.1% and 3-month Euribor barely above 0.2%;
- Long-term interest rate levels remain very low, with an increase at the end of the half year, following market expectations of a slowdown in the purchase of securities by the U.S. Federal Reserve and, thus, a slowdown in liquidity creation, with sharp disparities remaining among Eurozone countries. After falling below 2% (to a low of 1.65% at the end of April), the 10-year OAT rate stood at 2.35% at 30 June;
- Falling stock markets on the heels of the announcement by the Fed, which is preparing to reduce the amount of its securities purchases, creating anxiety among operators (CAC 40 at 3,738 points at 30 June);
- A particularly rich regulatory environment, marked by the adoption in Europe of the CRD IV/CRR package, transposing Basel III, and by the first drafts of and debates over the Banking Act in France.

#### 3.3.2 Commercial activities

Given this context of low rates and considerable slowing in the French economy, La Banque Postale showed significant commercial momentum, with a 3.4% increase over 12 months in outstanding customer deposits and an 18% increase in outstanding loans.

With regard to outstanding customer deposits, net inflow for the first half of 2013 totalled €1.8 billion. The change in outstanding customer deposits over the last 12 months is as follows:

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<sup>4</sup> 'Long term refinancing operations'

Half year ended 30 June

( <i>€ billion</i> )			Half year ended 30 June	
	2013.06	2012.06	Variation ( <i>in amount</i> )	( <i>as a %</i> )
Sight deposits	47.2	47.8	-0.6	-1.3 %
Ordinary savings products	87.0	80.6	+6.5	+8.0 %
Livret A passbook savings accounts	64.8	58.7	+6.1	+10.4 %
LEP savings accounts	8.9	9.4	-0.5	-5.6 %
Sustainable Development Savings accounts (LDD)	7.0	4.9	+2.1	+42.5 %
Other savings accounts	6.3	7.5	-1.2	-16.2 %
Home Savings accounts	26.7	26.8	-0.1	-0.4 %
UCITS <sup>(a)</sup>	14.7	15.2	-0.5	-3.5 %
Life insurance	116.6	112.4	+4.2	+3.7 %
Other <sup>(b)</sup>	1.9	1.7	+0.2	+13.5 %
<b>CUSTOMER SAVINGS <sup>(c)</sup></b>	<b>294.1</b>	<b>284.5</b>	<b>+9.6</b>	<b>+3.4 %</b>

(a) Products distributed by La Banque Postale's network.

(b) Term deposits and share savings schemes.

(c) Scope effect: consolidation of BPE for €1.9 billion in outstanding loans

La Banque Postale's outstanding customer deposits increased by 3.4% to €294.1 billion euros, driven by the strong increase in ordinary savings products (+8.0%). Financial savings showed an increase of 2.9%, to €131 billion euros, despite a slight decline in net inflow for the first half of 2013. Excluding the consolidation of BPE, the increase in financial savings amounted to 1.9%.

Households favoured balance-sheet savings products, continuing the 2012 trend, with an increase of nearly €6.1 billion at the end of June 2013 for Livret A and €2.1 billion for LDD accounts (favourable impact of the increase in the ceilings that took effect at the beginning of the year).

The expansion of the lending offering confirmed the contribution of La Banque Postale to the financing of the economy, with a 18% increase in outstanding loans over the last 12 months (+€8 billion). The breakdown of loans among the main lending categories was as follows:

( <i>€ billion</i> )			Half year ended 30 June	
	2013.06	2012.06	Change ( <i>in amount</i> )	( <i>as a %</i> )
Property loans <sup>(a)</sup>	48.6	42.8	+5.8	+13.6 %
Consumer loans	3.0	2.2	+0.8	+34.3 %
Other loans <sup>(b)</sup>	1.0	1.1	-0.1	-12.6 %
Loans to legal entities <sup>(c)</sup>	2.5	0.6	+1.9	n/a
<b>LOANS TO CUSTOMERS</b>	<b>55.1</b>	<b>46.7</b>	<b>+8.4</b>	<b>+17.9 %</b>

(a) Scope effect of €3.3 billion, including the buy-back of zero-rated loans from Crédit Foncier in the 2nd half of 2012 and the consolidation of BPE in 2013.

(b) Overdrawn sight deposits and amounts owed on bank cards.

(c) Businesses, housing associations, voluntary organisations and regional authorities.

Home loans granted increased during the first half of 2013 by 23% compared with loans generated during the first half of 2012, to €4.1 billion. Outstanding property loans rose by 13.6% during the last 12 months. Without taking into account the consolidation of BPE and the buy-back of zero-rated loans during the second half of 2012, the change is 6.3%.

The expansion of consumer credit produced a 34.3% year-on-year increase in outstanding balances, reaching €3 billion at the end of June 2013, with €0.9 billion awarded during the first half of 2013 (+30% compared with loans generated during the first half of 2012).

Outstanding loans on the legal entities market totalled €2.5 billion at the end of June 2013, with the growth in financing to local authorities and corporates.

### 3.3.3 Operating performance

(€ million)	Half year ended 30 June			
	2013.06	2012.06	Change	
			(in amount)	(as a %)
Asset management	67	60	+6	+10.7 %
Insurance	65	52	+12	+23.8 %
Retail banking	2,628	2,555	+73	+2.9 %
<i>Net interest margin</i>	1,709	1,657	+52	+3.1 %
<i>Commissions</i>	975	912	+64	+7.0 %
<i>Other income and expenses</i>	-56	-14	-42	ns
<b>Net banking income</b>	<b>2,760</b>	<b>2,668</b>	<b>+92</b>	<b>+3.4 %</b>
<b>NET BANKING INCOME EXCLUDING THE PROPERTY LOAN SAVINGS AND CHEQUE SCANNING PROVISIONS</b>	<b>2,756</b>	<b>2,668</b>	<b>+88</b>	<b>+3.3 %</b>

La Banque Postale's net banking income totalled €2,760 million at the end of June 2013. This marked an increase, after restatement for the home-savings provision and the cheque scanning fine, of +3.3% compared with 2012. This growth in NBI occurred in a context of historically low interest rates, emphasizing the resilience of La Banque Postale's model, which focuses on retail banking:

- The asset management unit's NBI rose 10.7% to €67 million, with €146.1 billion in asset under management, an increase of 6.2% at the end of June 2013 compared with June 2012.
- The insurance unit NBI of €65 million continued to increase (+23.8% compared with 2012), with the development of La Banque Postale's property and casualty insurance, the portfolio of which now includes 680,000 policies. In addition, the deployment of the health insurance product offering in the network was finalised at the end of the first half of the year.
- The retail banking NBI (excluding the change in the home savings provision and the impact of the refund of the Cheque Scanning Exchange fine) rose by 2.7%, or +€69 million. This change is associated specifically with:
  - Customer commissions, including efforts to increase the number of products per customer and the sale of insurance products and UCITS;
  - Development of La Banque Postale's lending activities, with the growing momentum of the "Corporates and Local Authorities" segment and growth in consumer credit;
  - Inclusion of BPE in the scope of consolidation, resulting in additional NBI of €13 million.

Half year ended 30 June

(€ million)	Half year ended 30 June			
	2013.06	2012.06	Change	
			(in amount)	(as a %)
Net banking income	2,760	2,668	+92	+3.4 %
Management expenses	-2,287	-2,238	-50	+2.2 %
Gains and losses on other assets <sup>(a)</sup>	8	-1	+9	ns
<b>EBITDA</b>	<b>481</b>	<b>429</b>	<b>+51</b>	<b>+11.9 %</b>
Cost of risk	-78	-82	+4	-5.1 %
<b>OPERATING PROFIT/(LOSS)</b>	<b>403</b>	<b>348</b>	<b>+55</b>	<b>+15.9 %</b>
<i>La Banque Postale cost-to-income ratio</i>	83.2%	83.9%		-0.7 pts

(a) Negative goodwill on CNP €8.4 M.

Banking activity management expenses rose 2.2%, with increased personnel expenses and amortisations in connection with the development of the new activities and the inclusion of the Banque Privée Européenne in the scope, for an amount of €12 million.

Excluding the home-savings provision and the Cheque Scanning Exchange fine, the banking activities' EBITDA increased by €47 million at June 2013 (+11.0%).

Given the favourable development of the NBI and of cost control efforts, La Banque Postale's cost-to-income ratio was 83.2%, an improvement of 0.7 pts compared with 30 June 2012.

The consolidated cost of risk fell €4 million over the period. Restated for the provision on Greece at the first half of 2012 (€34 million), the cost of risk nonetheless increased by €30 million in the 1<sup>st</sup> half of 2013. This change is associated primarily with the increase in outstanding property and consumer loans and to the impacts of a change in the property loan valuation method recorded during the first half of 2012. Inclusion of the cost of the BPE risk (€2 million) should also be noted.

Banking activity operating profits increased overall by €55 million.

The Core Tier 1 ratio was 11.2% at 30 June 2013, compared with 12.1% at 31 December 2012.

The credit on deposits ratio rose to 64% from 59% at the end of 2012.

In addition, at its 4 July 2013 meeting, the Board of Directors of La Poste Group decided to increase La Banque Postale's capital base by €1 billion to support its development and strengthen its financial structure over the long term, in view of regulatory changes. This increase will take place before the end of the year (see 1.4 above).

### 3.4. Retail Brand

The Retail Brand segment encompasses the sale and distribution, to retail customers, of Le Groupe La Poste Retail Brand products and services, as well as the activity of La Poste Telecom, distributing its offering under the brand, La Poste Mobile.

Half year ended 30 June

(€ million)	2013.06	2012.06	Change	
			(in amount)	(as a %)
Revenue	2,078	2,088	-10	-0.5 %
<i>of which non-Group revenue</i>	43	43	+0	+0.8 %
Operating expenses	-2,130	-2,127	-3	+0.1 %
<b>OPERATING PROFIT/(LOSS)</b>	<b>-53</b>	<b>-39</b>	<b>-14</b>	<b>+34.3 %</b>

#### 3.4.1. Retail Brand

The Retail Brand's revenues are generated primarily from internal invoices to the other business lines of Le Groupe La Poste. As a multi-business distribution network, the Retail Brand divides its costs among the Business Lines based on the services it provides to them:

- Service agreements based on operating metrics (sales figures and items processed) with the Mail Department, ColiPoste and Chronopost;
- With La Banque Postale, a service agreement based on transactions processed for the financial activity at the counter and invoicing at actual cost for the banking advisory line hosted by the Retail Brand (including financial advisors);
- Transfer of costs linked to the Universal Postal Service and regional planning assignment, as well as transitional expenses (specifically, end-of-career arrangements) to the "Unallocated" sector.

This invoicing was virtually stable for the first half of 2013, with the decreased activity at the counter (-5.2% in activity for the first half of 2013 compared with the same period in 2012) offset by an increased automation of operations, against a backdrop of nearly stable unit costs, thanks also to the favourable effect of the Competitiveness and Employment Tax Credit (CICE).

At 30 June 2012, the network included 17,046 public outlets, including 7,282 partnership outlets (local postal agencies, Poste Relais outlets and others).

The Retail Brand plays a key role in the deployment of the Group's Business Lines' commercial activity and, specifically, in the banking area, where it manages the 10,000 financial advisors for La Banque Postale's retail customers. The Retail Brand has undertaken a range of actions to improve customer satisfaction in that regard:

- In recent years, it has installed 19,570 machines for its banking and mail/parcel activities (including 2,135 that became operational during the first half of 2013). This has helped to maintain an overall customer flow at post offices equal to, for the first half of 2013, the numbers recorded for 2012.
- This automation policy is an integral part of the post office network modernisation initiated by the Retail Brand several years ago. It has resulted in the modernisation of 165 additional post offices over the first half of 2013, compared with 51 over the first half of 2012.

This large-scale Group project helps to reduce waiting times at post offices and thus improves the quality of customer service. The average waiting time to reach the counter to conduct a transaction has thus dropped by three minutes in four years, from seven minutes, 34 seconds in April 2009 to four minutes, 32 seconds in April 2013 (measured every six months by an external service provider).

- To speed up the commercial development of La Banque Postale, a decision was made during the first half of 2013 to attach the Regional Commercial Banking Directors, who are responsible for coordinating sales activities, to the six Executive Directors (DEX) of the Retail Brand spread across the country. The 25 Regional Commercial Banking Departments supervise the 107 local commercial banking departments, which include approximately 1,800 employees. These departments manage the employees in the private banking and real estate areas. They are also responsible for the commercial banking experts who train and guide the 10,000 financial advisors.

This new organisation will encourage synergies and enhance the fluidity of the players involved in the commercial development of the Retail Brand.

The operating profit fell slightly during the first half of 2013 compared with the first half of 2012, relating to the change in provisions for employee benefits recorded for the first half of 2013.

### 3.4.2. La Poste Mobile

La Poste Telecom, the Group's virtual mobile network operator, offers its services under the La Poste Mobile brand. In 2012, La Poste Mobile gained 78,000 lines, despite the entry of a fourth operator, which severely destabilised the market, and ended the year with a pool of 643,000 lines.

By adapting its offers to meet customer expectations, La Poste Mobile maintained strong activity in this highly competitive market over the first half of 2013. Low-priced offers (SIM-only mobile plan) were very successful, producing a total pool of 748,000 lines at 30 June 2013.

However, this positive effect on volumes (+16%) was reduced by a decline in unit revenue. La Poste Mobile revenue thus stood at €71 million (on a fully consolidated basis, although Le Groupe La Poste consolidates 51% of this entity on a proportional basis) for the first half, up 5.7% compared with 2012.

La Poste Mobile also launched a quadruple play offer during the first half, as well as one for professionals (see 1.3.4).

## 3.5. Real Estate

The Real Estate segment includes the Poste Immo subsidiary and the Real Estate Department.

Half year ended 30 June	Half year ended 30 June			
	2013.06	2012.06	Change	
(€ million)			(in amount)	(as a %)
Revenue	435	398	+37	+9.2 %
<i>of which non-Group revenue</i>	19	4	+15	<i>ns</i>
Operating expenses	-408	-375	-33	+8.7 %
Gain/(loss) on disposal	9	49	-40	-80.9 %
<b>OPERATING PROFIT/(LOSS)</b>	<b>36</b>	<b>72</b>	<b>-36</b>	<b>-50.0 %</b>

At the end of June 2013, Real Estate segment revenue totalled €435 million, an increase of €37 million, or +9.2% compared with 2012:

- The La Bataille (office construction) and Rue Cler (housing construction) property investment partnerships contributed €14 million. These investment partnerships carry out joint promotion/development transactions and are consolidated on a proportional basis. Their activity gained momentum as of the second half of 2012.

- External revenue excluding promotion/development activities (leases primarily with third parties external to the Group) rose by €0.9 million.
- The Group's €21.7 million (+6%) internal revenue growth was driven by rents and additional rental income (invoiced to the Retail Brand for works to improve customer reception as part of the post office modernisation project).

Operating profit/(loss) totalled €36 million for the first half of 2013, a €36 million decrease compared with 2012. This decrease was due to the gain/(loss) on disposals, which fell by €40 million (significant capital gains earned during the first half of 2012 on the sale of the Issy-les-Moulineaux and Créteil sites), from €49 million to €9 million between June 2012 and June 2013. The operating profit/(loss), excluding gain/(loss) on disposal, increased by €4 million.

## 3.6. Other segments

### 3.6.1. Support and Structures

The "Support and Structures" segment includes the Support Departments (mainly IT, Fleet management and Procurement), which re-invoice the Group's other business segments for their services and the Group's Head Office costs.

( <i>€ million</i> )	Half year ended 30 June			
	2013.06	2012.06	Change	
			( <i>in amount</i> )	( <i>as a %</i> )
Operating revenue	409	420	-11	-2.6 %
Operating expenses	-517	-519	+2	-0.5 %
<b>OPERATING PROFIT/(LOSS)</b>	<b>-107</b>	<b>-99</b>	<b>-8</b>	<b>+8.6 %</b>

Operating revenue amounted to €409 million, including:

- €388 million in intercompany income from billing services provided to the other business segments. Unit prices are set in advance in a service agreement and billing depends on actual volumes.
- €22 million in Head Office costs paid by subsidiaries.

Compared with the first half of 2012, the amounts invoiced decreased by €11 million in connection with the support activities and operating expenses decreased by €2 million.

### 3.6.2. Unallocated expenses

The "Unallocated" sector includes the costs of the Universal Postal Service, the costs of the regional planning assignment, the reduction in corresponding local taxes and lastly, the transitional expenses associated with the end-of-career arrangements considered at Group level and therefore unallocated to the Businesses.

(€ million)	Half year ended 30 June			
	2013.06	2012.06	Change	
			(in €M)	(as a %)
Net cost of regional operations	-301	-298	-3	+1.2 %
Other operating expenses	-0	-33	+32	-99.5 %
<b>OPERATING PROFIT/(LOSS)</b>	<b>-302</b>	<b>-330</b>	<b>+29</b>	<b>-8.7 %</b>

The €32 million decrease in operating charges is due to transitional expenses, which fell as a result of enrolments in the end-of-career arrangements that were lower in 2013 than during the first half of 2012.

## 4. Other key income statement aggregates

### 4.1. Financial profit/(loss)

(€ million)	Half year ended 30 June			
	2013.06	2012.06	Change	
			(in amount)	(as a %)
Net interest expense	-83	-76	-7	+9.6 %
Change in "fair value"	-17	-19	+3	-13.1 %
<b>Net borrowing costs</b>	<b>-100</b>	<b>-95</b>	<b>-5</b>	<b>+4.9 %</b>
Other financial profit/(loss) items	-13	-27	+14	-51.9 %
<b>FINANCIAL PROFIT/(LOSS)</b>	<b>-113</b>	<b>-122</b>	<b>+9</b>	<b>-7.6 %</b>

Financial profit/(loss) improved slightly, to -€113 million, with debt-related interest expense down by €7 million, following the particularly low short-term interest rates over the first half of 2013.

The average cost of bond debt fell from 3.25% in 2012 to 2.96% due to active management (4.52% prior to active management) at the end of June 2013.

The changes in the "fair value" of debt and back-to-back swaps remained stable. The other financial profit/(loss) items (-€13 million) correspond primarily to the cost of discounting social debt, which declined by €14 million compared with the end of June 2012, following the decrease in discount rates.

## 4.2. Net profit, Group share

(€ million)	2013.06	2012.06	Change	
			(in amount)	(as a %)
<b>Operating revenue</b>	<b>10,948</b>	<b>10,887</b>	<b>+61</b>	<b>+0.6 %</b>
<b>Operating expenses</b>	<b>-10,464</b>	<b>-10,254</b>	<b>-210</b>	<b>+2.0 %</b>
<b>Operating profit/(loss)</b>	<b>483</b>	<b>632</b>	<b>-149</b>	<b>-23.6 %</b>
Financial profit/(loss)	-113	-122	+9	-7.6 %
<b>Pre-tax profit/(loss)</b>	<b>371</b>	<b>510</b>	<b>-140</b>	<b>-27.4 %</b>
Tax on income	-83	-179	+96	-53.8 %
Share in profit of equity associates	112	106	+7	+6.3 %
<b>Consolidated net profit/(loss)</b>	<b>400</b>	<b>437</b>	<b>-37</b>	<b>-8.4 %</b>
<b>NET PROFIT, GROUP SHARE</b>	<b>396</b>	<b>437</b>	<b>-41</b>	<b>-9.2 %</b>
Non-controlling interests	4	-0	+4	n/a

The Group's share of net profit/(loss) decreased from €437 million at the end of June 2012 to €396 million at the end of June 2013, a decline of -€41 million:

- Pre-tax profit/(loss) decreased by €140 million to €371 million.  
The Group's tax expense totalled €83 million over the first half of 2013, including deferred tax income of €49 million. This tax expense decreased by €96 million compared with 2012, a direct consequence of the decline in pre-tax profit/(loss), which also includes the non-taxable amount of the CICE.
- The share in profits of equity associates totalled €112 million in 2013, an increase of €7 million compared with June 2012 and includes primarily the contribution of CNP Assurances, of which the Group now holds 20.15%.

## 5. Debt and financial strength

The tables below have been adjusted to factor in the coexistence of banking, industrial and commercial activities within the same group and to provide a more business-focused view of their respective contribution to generating Group cash flows.

As the Group parent company, La Poste provides funding for the industrial and commercial activities and covers the working capital requirements of La Banque Postale. La Banque Postale, although fully consolidated, is thus recognised through the dividends that it pays to its parent company, which are considered as cash flows that remain available to the Group after satisfying all regulatory equity capital requirements.

The net debt of the Group thus does not take banking activities into account, as this concept is not relevant to them. The Group's net debt varies in accordance with the following:

- The ability of the industrial and commercial activities to generate surplus free cash flows;
- The dividends paid by La Banque Postale to La Poste;
- The current tax expense resulting from the tax consolidation group set up between La Poste and its subsidiaries;
- La Poste's cost of capital employed, assessed according to the interest paid on net debt and dividends paid to its shareholders.

## 5.1. Change in Net Debt

### 5.1.1. Cash flows from operating activities

Cash flows from operating activities decreased compared with June 2012:

(€ million)	2013.06	2012.06	Change	
			(in amount)	(as a %)
Non-banking EBITDA	470	604	-134	-22.2 %
Dividends from LBP and equity associates	260	187	+72	+38.7 %
Change in WCR and other	-29	-168	+138	-82.4 %
Taxes paid	31	8	+22	n/a
CICE neutralisation <sup>(a)</sup>	-128	0	-128	+0.0 %
Miscellaneous <sup>(b)</sup>	-11	-12	+1	-6.7 %
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>591</b>	<b>620</b>	<b>-29</b>	<b>-4.8 %</b>

(a) The CICE earned over the period is included in the non-banking EBITDA and neutralised at that level in the absence of an effect on cash flow in 2013.

(b) Reintegration of bad debts, other financial income and expenses

- EBITDA excluding banking activities fell by €134 million at the end of June 2013, primarily as a result of the fall in EBITDA for Mail, under the impact of the decrease in traffic during the first half of 2013.
- The dividends received from La Banque Postale and equity associates increased by €72 million at the end of June 2013 because of an improved 2012 La Banque Postale results compared with 2011 (2011 was seriously affected by the Greek bond crisis).
- The change in the WCR of the non-Banking activities amounted to -€29 million for the first half of 2013, a change associated with the seasonal nature of the Group's industrial and commercial activities. The less unfavourable change in the WCR at the end of June 2013 compared with the first half of 2012 was largely the result of the decrease in cash held at post offices, in the amount of €197 million. The very volatile end-of-month valuation of this aggregate, associated primarily with the reserves required to refill ATMs (Automatic Teller Machines), is largely determined by the date of the last day of the month (for example, higher reserves in readiness for the weekend).
- The impact of the Competitiveness and Employment Tax Credit (CICE), booked after employee expenses are deducted and thus included in non-Banking EBITDA, amounted to -€128 million for the first half of 2013. The CICE generated in 2013 will have an impact on cash flow in 2014 at the earliest and 2017 at the latest in the form of a payment by the tax authority, pursuant to the conditions set forth in the law.
- After taking tax group benefit into account, tax had a positive €31 million effect on the Group's net debt in the first half of 2013, due to the deduction of the losses from non-banking activities from the tax paid by La Banque Postale to its parent company.

### 5.1.2. Cash flows from investing activities/non-banking segments

Net non-Banking investment outflows amounted to €345 million at the end of June 2013, an increase of 11% compared with June 2012.

( <i>€ million</i> )	2013.06	2012.06	Change	
			( <i>in amount</i> )	( <i>as a %</i> )
Purchase of intangible and tangible assets	-381	-387	+5	-1.4 %
Purchase of financial assets	-11	-11	+0	-3.1 %
Asset disposals	56	125	-69	-54.9 %
Acquisitions and disposals of subsidiaries	-10	-39	+30	-75.6 %
<b>CASH FLOWS FROM INVESTING ACTIVITIES/NON-BANKING SEGMENTS</b>	<b>-345</b>	<b>-312</b>	<b>-33</b>	<b>+10.7 %</b>

These investments remained high due to the commitments made by the Group. These investments relate primarily to the on-going renovation of the post office network, maintenance of real estate assets and industrial facilities, strengthening the Express activity's European and international network (specifically, in the United Kingdom during the first half of 2013), vehicles and information systems.

Purchases of intangible and tangible assets are broken down by Business Line as follows:

( <i>€ million</i> )	2013.06	2012.06	Change	
			( <i>in amount</i> )	( <i>as a %</i> )
Mail	80	87	-7	-7.7 %
Parcels-Express	56	77	-21	-27.1 %
Retail Brand	19	19	0	+1.6 %
Real Estate	126	140	-14	-9.8 %
Support	100	65	+35	+53.7 %
<b>Investment outflows</b>	<b>381</b>	<b>387</b>	<b>-5</b>	<b>-1.4 %</b>
Change in trade payables	-16	-57	+41	-72.3 %
<b>NON-BANKING INVESTMENTS PAID</b>	<b>365</b>	<b>330</b>	<b>+35</b>	<b>+10.7 %</b>

Véhiposte's electric vehicle equipment explains most of the sharp increase in investments at the support services level, based on the commitments made by the Group to purchase 10,000 electric vehicles by the end of 2015.

Purchases of financial assets (guarantee deposits and investment securities) are shown excluding 'Cash investments with a maturity of over 3 months' (respectively, €102 million and €119 million for the first half of 2013 and 2012, see Section 5.2 below), which form part of the Group's current cash management process and are thus shown as a deduction to net debt.

Acquisitions and disposals of subsidiaries: The industrial and commercial companies made no significant acquisitions during the first half of 2013. However, the acquisition of the Banque Privée Européenne (BPE) by La Banque Poste in April 2013 for €115 million (see 1.3.3) should be noted; its acquisition cash flows are not assessed directly in the table above (see 5.1.2 above, this acquisition will be taken into account via the distribution capacity of La Banque Postale).

Asset disposals, which amounted to €56 million, were lower than those of 2012 as the Group had sold two major assets, the Issy-les-Moulineaux site and a platform at Créteil, during the first half of 2012.

### 5.1.3. Change in net debt

In light of the above, the Group generated €48 million in cash flow in the course of its business at the end of June 2013, after paying €172 million in dividends to shareholders out of 2012 profits.

The third and final tranche of the capital increase was paid in April 2013 in the amount of €600 million, reducing the Group's net debt by -€557 million over the period to €2,903 million.

(€ million)	2013.06	2012.06	Change	
			(in amount)	(as a %)
Cash flows from operating activities	591	620	-29	-4.8 %
Cash flows from investing activities/Non-banking segment	-345	-312	-33	+10.7 %
<b>Free cash flows</b>	<b>246</b>	<b>308</b>	<b>-62</b>	<b>-20.1 %</b>
Dividends paid	-172	-145	-26	+18.2 %
Interest expense (net interest expense) <sup>(a)</sup>	-25	-31	5	-17.7 %
<b>Free cash flows</b>	<b>48</b>	<b>133</b>	<b>-84</b>	<b>-63.4 %</b>
Capital increase	602	1 050	-448	-42.7 %
Non-cash items	-95	-80	-15	+19.2 %
<b>DECREASE IN NET DEBT</b>	<b>557</b>	<b>1 103</b>	<b>-547</b>	<b>-49.5 %</b>

(a) Net interest expense excluding change of accrued interest not due on financial instruments.

### 5.1.4. Funds From Operations (FFO)

The Group manages its cash flow generation using the "Funds From Operations" (FFO) indicator. This indicator is used to identify free cash generated by its operating activities before change in WCR (including cash held at post offices) and after financial expenses paid. FFO allows the Group to finance its employed capital, including any potential external growth, while meeting its funding constraints (payment of shareholder dividends and redemption of debt).

The €33 million decrease in FFO at the end of June 2013 was primarily due to the decrease in non-Banking EBITDA, which was partially offset by the increase in dividends paid by La Banque Postale.

(€ million)	2013.06	2012.06	Change	
			(in amount)	(as a %)
<b>Non-Banking EBITDA</b>	<b>470</b>	<b>604</b>	<b>-134</b>	<b>-22.2 %</b>
Dividends from LBP and equity associates	260	187	+72	+38.7 %
Taxes paid	31	8	+22	n/a
Financial expenses paid	-25	-31	+5	-17.7 %
Miscellaneous <sup>(a)</sup>	-11	-12	+1	-6.7 %
<b>FUNDS FROM OPERATIONS</b>	<b>724</b>	<b>757</b>	<b>-33</b>	<b>-4.4 %</b>

(a) Reintegration of bad debts and miscellaneous financial income and expenses.

## 5.2. Change in cash and cash equivalents

Le Groupe La Poste's cash and cash equivalents rose from €2,167 million at the start of the financial year to €2,534 at the end of June 2013, primarily as a result of the €600 million capital increase in April 2013.

(€ million)	2013.06	2012.12	Change	
			(in amount)	(as a %)
<b>Net free cash flows</b>	<b>48</b>	<b>129</b>	<b>-80</b>	<b>-62.3 %</b>
Capital increase	602	1,053	-451	-42.8 %
Change in borrowings	-11	54	-65	n/a
Cash investments with a maturity of more than three months	-102	-119	+17	-14.2 %
Other cash flows from financing activities	-48	63	-111	n/a
Intra-group flows with La Banque Postale and other items	-67	-159	+92	-57.8 %
Change in accrued interest not due on financial instruments	-57	0	-57	ns
Other items <sup>(a)</sup>	0	0	+0	+0.0 %
<b>Change in cash and cash equivalents</b>	<b>367</b>	<b>1,022</b>	<b>-655</b>	<b>-64.1 %</b>
<b>Opening cash and cash equivalents</b>	<b>2,167</b>	<b>1,146</b>	<b>+1,022</b>	<b>+89.2 %</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>2,534</b>	<b>2,167</b>	<b>+367</b>	<b>+16.9 %</b>

(a) Foreign exchange effects, subsidiaries held for sale and change in scope method.

## 5.3. Breakdown of financial debt

### 5.3.1. Gross debt

A breakdown of the Group's gross debt at the end of June 2013 and at the end of December 2012 is provided below:

(€ million)	2013.06			2012.12		
	Short term	Medium- and long-term	TOTAL	Short term	Medium- and long-term	Total
Bonds	726	5,894	<b>6,620</b>	726	5,968	<b>6,694</b>
La Poste savings bonds	65	0	<b>65</b>	66	0	<b>66</b>
Commercial paper	0	0	<b>0</b>	0	0	<b>0</b>
Deposits and guarantees received	376	27	<b>402</b>	486	25	<b>512</b>
Accrued interest	181	0	<b>181</b>	139	0	<b>139</b>
Other	148	102	<b>250</b>	151	91	<b>242</b>
	<b>1,495</b>	<b>6,023</b>	<b>7,517</b>	<b>1,567</b>	<b>6,085</b>	<b>7,652</b>

La Poste's gross debt consists of ten bond issues, originally at a fixed rate, some of which have been converted to a floating rate in connection with floating rate investments. A fixed-rate bond of €750 million was issued in November 2012 with a 12-year maturity.

The cost of the debt was 2.96% in 2013 compared with 4.52% before active management.

### 5.3.2. Net debt

(€ million)	2013.06	2012.12	Change	
			(in amount)	(as a %)
Financial debt	7,517	7,652	-135	-1.8 %
Cash and cash equivalents	-2,534	-2,167	-367	+16.9 %
Other asset items <sup>(a)</sup>	-2,080	-2,025	-55	+2.7 %
<b>NET DEBT AT YEAR-END</b>	<b>2,903</b>	<b>3,460</b>	<b>-557</b>	<b>-16.1 %</b>

(a) Net interest expense on financial instruments, excluding accrued interest not due.

The Group's net debt amounted to €2,903 million at 30 June 2013, a decrease of -€557 million compared with 31 December 2012:

- Through its operating activities and after investment hedges and cost of capital employed, the Group generated net cash flows of €48 million during the financial year (see 5.2);
- The third and final tranche of the capital increase was paid in April 2013, for an amount of €600 million.
- Taking into account items included in net debt but with no impact on cash and cash equivalents for €95 million (particularly changes in fair value and unexpired interest accrued).

In view of the reduction in the Group's net debt and the increase in its equity (see below), financial gearing (net debt/equity) fell from 0.46 at 31 December 2012 to 0.36 at 30 June 2013.

The proposed increase in La Banque Postale's capital base in the second half, amounting to €1 billion, will have an impact on the Group's net debt.

## 5.4. Equity and financial structure

(€ million)	2013.06	2012.12
<b>Opening consolidated equity, Group share</b>	<b>7,470</b>	<b>6,784</b>
Capital increase	600	0
Net profit/(loss), Group share	396	479
Dividends paid	-172	-144
Unrealised gains and losses on financial instruments	-71	437
Translation adjustments	-39	-16
Change in the fair value of call options on non-controlling interests	-10	-52
Actuarial differences 2013	31	-
Actuarial differences at 1 January 2013 <sup>(a)</sup>	-108	-
Other items	-14	-18
<b>Closing consolidated equity, Group share</b>	<b>8,084</b>	<b>7,470</b>
Non-controlling interests	61	65
<b>CLOSING CONSOLIDATED EQUITY</b>	<b>8,145</b>	<b>7,535</b>

(a) Application of revised IAS19 at 1 January 2013

The Group share of equity amounted to €8.1 billion at 30 June 2013, a change of €614 million. The change in unrealised gains on financial instruments amounted to -€71 million over the period.

## 5.5. Credit rating

Standard and Poor's confirmed the La Poste rating and downgraded its outlook, which moved from positive to stable.

After France's long-term rating was downgraded from AAA to AA+, Fitch Ratings revised La Poste's long-term rating to AA-, with a stable outlook.

Company	Agency	Long-term rating	Short-term rating	Outlook	Last revision
La Poste	Fitch Ratings	AA-	F1+	Stable	17 July 2013
	Standard and Poor's	A	A1	Stable	11 July 2013

## 6. Post-balance sheet events

Jean-Paul Bailly, the Chairman and Chief Executive Officer of the Group, presented the strategic directions, financial business plans and work programmes of Le Groupe La Poste for the coming years at the 4 July meeting of the Board of Directors. These directions will be developed and implemented immediately and for the five coming years; that is, well beyond the end of his current term (November 2014).

In that context, at the 4 July meeting of the Board of Directors, the Chairman announced that he would step down from his position in the coming weeks. This decision was taken in full agreement with government shareholders, for both personal and family reasons and out of a shared concern to leave his successor all the latitude, time and freedom necessary to carry out the Group's strategic plan, with the support of the management team and all postal workers. He added that this decision was also driven by the desire to ensure a fast and exemplary transition, guarantee a smooth handover and, thus, avoid the periods of hesitation and uncertainty that inevitably occur in the months preceding the end of a term.

The Board of Directors recognised Jean-Paul Bailly's 11-year term and expressed appreciation for his work. Thanks to his efforts, the Group has become a major player in both digital and physical exchanges and a diversified player with an international presence, prepared to face the major economic, social and societal challenges of tomorrow.

## 7. Outlook

The Group's activity in the second half of the year will remain sensitive to change in Mail volumes, which is subject to the effects of the seasonal nature of the business, with a second half that is generally weaker than the first, and to market conditions, particularly for La Banque Postale. The Group confirms its target of modest revenue growth for the year and will continue its cost control efforts.

La Poste also intends to strengthen La Banque Postale's capital base to support its commercial development over time, particularly its lending business activities, while contributing to the bank's improved solvency and solidity. This transaction, approved by the Board of Directors on 4 July 2013 meeting, provides for a capital increase of €200 million and the subscription to hybrid Tier 1 securities, for €800 million.

Finally, La Poste presented its 2013-2018 strategic plan to its Board of Directors on 4 July 2013: "A shared trust." It identified four strategic developments: acceleration of the actions taken by the various business lines, the digital transformation of the Group, expanding the local and home services market and pursuing La Poste's growth, both in France and abroad.



Condensed consolidated financial statements  
at 30 June 2013



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## CONSOLIDATED INCOME STATEMENT

(€ million)		H1 2013	H1 2012	2012
	NOTE	6 months	6 months	12 months
Mail revenue		5,322	5,512	10,774
Express revenue		2,064	1,937	4,016
Parcels revenue		752	737	1,522
La Poste Retail Brand revenue		43	43	88
Real Estate revenue		19	4	41
<b>Revenue from commercial activities</b>	4	<b>8,200</b>	<b>8,233</b>	<b>16,441</b>
Banking operating revenue		4,241	4,727	8,815
Banking operating expenses		(1,493)	(2,073)	(3,597)
<b>Net banking income</b>	5	<b>2,748</b>	<b>2,654</b>	<b>5,217</b>
<b>Operating revenue</b>		<b>10,948</b>	<b>10,887</b>	<b>21,658</b>
Purchases and other expenses	6	(3,472)	(3,347)	(7,108)
Personnel expenses	7	(6,332)	(6,305)	(12,599)
Taxes and levies	8	(128)	(117)	(235)
Depreciation, amortisation, provisions and impairment	8	(599)	(591)	(1,175)
Other operating income and expenses	8	66	60	224
Gains/(losses) on asset disposals		1	46	52
<b>Net operating expenses</b>		<b>(10,464)</b>	<b>(10,254)</b>	<b>(20,842)</b>
<b>Operating profit/(loss)</b>		<b>483</b>	<b>632</b>	<b>816</b>
Net borrowing costs	9	(100)	(95)	(221)
Other financial items		(13)	(27)	(63)
<b>Financial profit/(loss)</b>		<b>(113)</b>	<b>(122)</b>	<b>(284)</b>
<b>Profit before tax of consolidated companies</b>		<b>371</b>	<b>510</b>	<b>532</b>
Tax on income	10	(83)	(179)	(231)
Share of profit of associates		112	106	180
<b>Consolidated net profit for the year</b>		<b>400</b>	<b>437</b>	<b>481</b>
<b>Group share</b>		<b>396</b>	<b>437</b>	<b>479</b>
Minority interests		4	(0)	2

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

amounts after tax (€ million)	H1 2013	H1 2012		2012	
		Restated <sup>(1)</sup>	As reported	Restated <sup>(1)</sup>	As reported
<b>Consolidated net profit for the year</b>	<b>400</b>	<b>437</b>	<b>437</b>	<b>481</b>	<b>481</b>
<b>COMPREHENSIVE INCOME AND EXPENSES POSTED TO EQUITY</b>					
<b>Recyclable items</b>					
Change in unrealised gains and losses on financial instruments	(45)	120	120	216	216
<i>Of which transferred to net profit for the year</i>	<i>(26)</i>	<i>52</i>	<i>52</i>	<i>38</i>	<i>38</i>
Translation adjustments	(24)	11	11	7	7
<i>Of which transferred to net profit for the year</i>		<i>1</i>	<i>1</i>		
Share of other comprehensive income and expenses posted to associates	(42)	53	53	198	198
<i>Change in unrealised gains and losses on financial instruments – CNP</i>	<i>(33)</i>	<i>62</i>	<i>62</i>	<i>220</i>	<i>220</i>
<i>- other unrealised gains and losses on financial instruments</i>	<i>6</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>- cumulative translation adjustments</i>	<i>(15)</i>	<i>(11)</i>	<i>(11)</i>	<i>(23)</i>	<i>(23)</i>
<b>Non recyclable items</b>					
Actuarial adjustments on employee benefits	31	(97)		(154)	
<b>Total comprehensive income and expenses posted to equity (after tax)</b>	<b>(80)</b>	<b>87</b>	<b>184</b>	<b>267</b>	<b>421</b>
<b>Comprehensive income</b>	<b>320</b>	<b>524</b>	<b>621</b>	<b>748</b>	<b>902</b>
<b>Comprehensive income Group share</b>	<b>317</b>	<b>524</b>	<b>621</b>	<b>746</b>	<b>900</b>
Comprehensive income Minority interests	4	0	0	2	2

(1) Application of amended IAS 19 (see note 2.1.A.)

## CONSOLIDATED BALANCE SHEET

ASSETS		30/06/2013	31/12/2012
(€ million)	NOTE		
Goodwill	11	1,561	1,562
Intangible assets	12	820	825
Property, plant and equipment	12	5,909	6,062
Investments in associates	13	2,515	2,446
Other non-current financial assets	14	1,067	894
Deferred tax assets		191	113
<b>NON-CURRENT ASSETS</b>		<b>12,063</b>	<b>11,903</b>
<b>Current banking assets</b>			
Customer receivables and loans	15	56,109	49,922
Bank receivables	15	87,120	81,254
Investment portfolio	15	53,867	54,281
Other current financial assets	15	1,174	1,305
Accrual accounts	15	1,544	2,387
Cash, central bank deposits	15	1,354	2,726
<b>Other current assets</b>			
Inventories and work-in-progress	14	149	203
Trade and other accounts receivable	14	2,797	2,453
Other current financial assets	14	590	781
Cash held at post offices		523	719
Income tax receivable		318	211
Other accrual accounts – assets		130	126
Cash and cash equivalents	14	2,534	2,167
<b>Assets held for sale</b>		<b>115</b>	<b>104</b>
<b>CURRENT ASSETS</b>		<b>208,323</b>	<b>198,641</b>
<b>TOTAL ASSETS</b>		<b>220,385</b>	<b>210,544</b>

## EQUITY AND LIABILITIES

(€ million)	NOTE	30/6/2013	31/12/2012	
			Restated <sup>(1)</sup>	As reported
Share capital	1.1	3,800	3,400	3,400
Issue premium	1.1	900	700	700
Reserves		2,642	2,355	2,355
Unrealised gains and losses on financial instruments		509	581	581
Actuarial adjustments on employee benefits		(80)	(108)	
Cumulative translation adjustments		(84)	(45)	(45)
Net profit Group share		396	479	479
<b>Equity Group share</b>		<b>8,084</b>	<b>7,362</b>	<b>7,470</b>
Minority interests		61	65	65
<b>CONSOLIDATED EQUITY</b>		<b>8,145</b>	<b>7,427</b>	<b>7,535</b>
Medium and long-term bonds and other debt	17	6,023	6,085	6,085
Employee benefits – non-current liabilities	19	1,779	1,821	1,713
Non-current contingency and loss provisions	16	76	90	90
Deferred tax liabilities		152	142	142
<b>NON-CURRENT LIABILITIES</b>		<b>8,030</b>	<b>8,140</b>	<b>8,032</b>
<b>Current contingency and loss provisions</b>				
Specific provisions for the insurance and banking activities	16	1,071	1,005	1,005
Current contingency and loss provisions	16	441	385	385
<b>Short-term bonds and other debt</b>	17	1,495	1,567	1,567
<b>Current banking liabilities</b>				
Financial debt	20	26,039	21,584	21,584
Liabilities to customers	20	166,665	160,393	160,393
Other financial liabilities	20	1,194	1,413	1,413
Accrual accounts	20	2,174	3,493	3,493
<b>Other current liabilities</b>				
Trade and other accounts payable	21	4,088	4,349	4,349
Government – income tax		172	16	16
Employee benefits – current liabilities	19	586	617	617
Other accrual accounts – liabilities		286	154	154
<b>Liabilities held for sale</b>		0	0	0
<b>CURRENT LIABILITIES</b>		<b>204,210</b>	<b>194,977</b>	<b>194,977</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>220,385</b>	<b>210,544</b>	<b>210,544</b>

(1) Application of amended IAS 19 (see note 2.1.A.)

## CHANGES IN CONSOLIDATED EQUITY 2013

amounts net of tax (€ million)	Share capital	Issue premium	Unallocated net profit/(loss)	Cumulative translation adjustments	Unrealised gains and losses on financial instruments - CNP	Other unrealised gains and losses on financial instruments	Actuarial adjustments on employee benefits <sup>(1)</sup>	Other reserves	Total Group share	Minority interests	Total
<b>Consolidated equity at 31/12/2012 (as reported)</b>	<b>3,400</b>	<b>700</b>	<b>479</b>	<b>(45)</b>	<b>392</b>	<b>189</b>		<b>2,355</b>	<b>7,470</b>	<b>65</b>	<b>7,535</b>
Application of IAS 19 Revised <sup>(1)</sup>							(108)		(108)		(108)
<b>Consolidated equity at 31/12/2012 (restated)</b>	<b>3,400</b>	<b>700</b>	<b>479</b>	<b>(45)</b>	<b>392</b>	<b>189</b>	<b>(108)</b>	<b>2,355</b>	<b>7,362</b>	<b>65</b>	<b>7,427</b>
La Poste capital increase <sup>(2)</sup>	400	200							600		600
Dividends paid-out			(171)						(171)	(5)	(176)
Call options on minority interests								17	17	2	19
Purchases of minority interests								(39)	(39)	(6)	(44)
Appropriation of 2012 earnings			(308)					308	-		-
Comprehensive income for the period			396	(39)	(33)	(39)	31		317	4	320
<i>Of which - net profit for the period</i>			396						396	4	400
<i>- Other comprehensive income</i>				(39)	(33)	(39)	31		(80)		(80)
Other							(3)	-	(2)	2	(1)
<b>Consolidated equity at 30/06/2013</b>	<b>3,800</b>	<b>900</b>	<b>396</b>	<b>(84)</b>	<b>359</b>	<b>151</b>	<b>(80)</b>	<b>2,642</b>	<b>8,084</b>	<b>61</b>	<b>8,146</b>

(1) See Note 2.1.A.

(2) See Note 1.4.

## CHANGES IN CONSOLIDATED EQUITY 2012

amounts net of tax (€ million)	Share capital	Issue premium	Unallocated net profit/(loss)	Cumulative translation adjustments	Unrealised gains and losses on financial instruments – CNP	Other unrealised gains and losses on financial instruments	Actuarial adjustments on employee benefits <sup>(1)</sup>	Other reserves	Total Group share	Minority interests	Total
<b>Consolidated equity at 31/12/2011 (as reported)</b>	<b>3,400</b>	<b>700</b>	<b>478</b>	<b>(29)</b>	<b>171</b>	<b>(29)</b>		<b>2,093</b>	<b>6,783</b>	<b>3</b>	<b>6,786</b>
First application of IAS 19 Revised <sup>(1)</sup>							46		46		46
<b>Consolidated equity at 31/12/2011 (restated)</b>	<b>3,400</b>	<b>700</b>	<b>478</b>	<b>(29)</b>	<b>171</b>	<b>(29)</b>	<b>46</b>	<b>2,093</b>	<b>6,829</b>	<b>3</b>	<b>6,832</b>
Dividends paid-out			(144)						(144)	(5)	(149)
Call options on minority interests								(52)	(52)		(52)
Appropriation of 2011 earnings			(333)					333	-		-
Comprehensive income for the period			437		62	122	(97)		524	-	524
<i>Of which - net profit for the period</i>			437		62	122	(97)		437	-	437
<i>- Other comprehensive income</i>									87		87
Other <sup>(2)</sup>								(14)	(14)	34	20
<b>Consolidated equity at 30/06/2012 (restated)</b>	<b>3,400</b>	<b>700</b>	<b>437</b>	<b>(29)</b>	<b>233</b>	<b>93</b>	<b>(51)</b>	<b>2,361</b>	<b>7,143</b>	<b>32</b>	<b>7,175</b>
<b>Consolidated equity at 30/06/2012 (as reported)</b>	<b>3,400</b>	<b>700</b>	<b>437</b>	<b>(29)</b>	<b>233</b>	<b>93</b>		<b>2,361</b>	<b>7,194</b>	<b>32</b>	<b>7,226</b>
<b>Consolidated equity at 31/12/2011 (as reported)</b>	<b>3,400</b>	<b>700</b>	<b>478</b>	<b>(29)</b>	<b>171</b>	<b>(29)</b>		<b>2,093</b>	<b>6,783</b>	<b>3</b>	<b>6,786</b>
First application of IAS 19 Revised <sup>(1)</sup>							46		46		46
<b>Consolidated equity at 31/12/2011 (restated)</b>	<b>3,400</b>	<b>700</b>	<b>478</b>	<b>(29)</b>	<b>171</b>	<b>(29)</b>	<b>46</b>	<b>2,093</b>	<b>6,829</b>	<b>3</b>	<b>6,832</b>
Dividends paid-out			(144)						(144)	(6)	(151)
Call options on minority interests								(24)	(24)	(6)	(31)
Purchases of minority interests								(28)	(28)		(28)
Appropriation of 2011 earnings			(333)					333	-		-
Comprehensive income for the period			479	(16)	221	216	(154)		746	2	748
<i>Of which - net profit for the period</i>			479	(16)	221	216	(154)		479	2	481
<i>- Other comprehensive income</i>									267		267
Other <sup>(2)</sup>						2		(18)	(16)	73	57
<b>Consolidated equity at 31/12/2012 (restated)</b>	<b>3,400</b>	<b>700</b>	<b>479</b>	<b>(45)</b>	<b>392</b>	<b>189</b>	<b>(108)</b>	<b>2,355</b>	<b>7,362</b>	<b>65</b>	<b>7,427</b>

(1) See Note 2.1.A.

(2) Including a variation in non-controlling interests linked to the change in consolidation method of Seur SA: €50 million as of 31 December 2012 and €36 million as of 30 June 2012

## CONSOLIDATED CASH FLOW STATEMENT

€ million	H1 2013			H1 2012			2012		
	Group	Non-banking	La Banque Postale	Group	Non-banking	La Banque Postale	Group	Non-banking	La Banque Postale
<b>EBITDA</b>	<b>1,105</b>	<b>470</b>	<b>635</b>	<b>1,218</b>	<b>604</b>	<b>613</b>	<b>2,117</b>	<b>915</b>	<b>1,202</b>
Change in provisions for current assets and bad debts	(93)	(12)	(81)	(93)	(15)	(78)	(181)	(28)	(153)
Miscellaneous financial income and expenses	1	1	(0)	4	4		3	3	
<b>Cash flows from operating activities before net borrowing costs and taxes</b>	<b>1,013</b>	<b>459</b>	<b>554</b>	<b>1,128</b>	<b>593</b>	<b>535</b>	<b>1,939</b>	<b>890</b>	<b>1,049</b>
Change in working capital	(206)	(226)	20	(243)	(248)	5	136	161	(25)
Change in cash held at post offices	197	197		80	80		(88)	(88)	
CICE for the period	(129)	(128)	(0)						
Change in balance of banking sources and uses	(62)		(62)	(507)		(507)	(612)		(612)
Taxes paid	(65)	31	(95)	34	8	25	(138)	40	(177)
Dividends paid by La Banque Postale to La Poste		258	(258)		186	(186)		186	(186)
Dividends received from equity associates	1	1	(0)	1	1	0	7	8	(0)
<b>Cash flows from operating activities</b>	<b>749</b>	<b>591</b>	<b>158</b>	<b>494</b>	<b>620</b>	<b>(126)</b>	<b>1,244</b>	<b>1,195</b>	<b>48</b>
Purchase of intangible assets and property, plant and equipment	(445)	(381)	(64)	(467)	(387)	(80)	(1,065)	(864)	(201)
Purchase of financial assets	(13)	(11)	(2)	(16)	(11)	(5)	(38)	(35)	(3)
Proceeds from disposal of property, plant and equipment and intangible assets	55	51	3	117	117	0	234	234	0
Proceeds from disposals of financial assets	6	5	0	9	8	0	19	18	0
Impact of changes in consolidation scope	(124)	(10)	(115)	(40)	(39)	(1)	(82)	(82)	
Change in cash management financial assets	(102)	(102)		(413)	(413)		(148)	(148)	
<b>Cash flows from investing activities</b>	<b>(624)</b>	<b>(447)</b>	<b>(177)</b>	<b>(810)</b>	<b>(725)</b>	<b>(85)</b>	<b>(1,079)</b>	<b>(876)</b>	<b>(203)</b>
Capital increase <sup>(2)</sup>	602	602	(0)	1,051	1,050	1	1,053	1,053	(0)
Dividends paid	(175)	(172)	(3)	(148)	(145)	(3)	(151)	(148)	(3)
Interest paid	(25)	(25)	0	(31)	(31)	0	(164)	(164)	0
Proceeds from new borrowings	0	0		0	0		752	752	
Repayment of borrowings	(11)	(11)		(406)	(406)		(698)	(698)	
Repurchase of minority interests	(47)	(2)	(45)						
Other cash flows from financing activities	(99)	(99)		80	80		63	63	
Intra-group flows	(0)	(67)	67	(0)	(214)	214	(0)	(159)	159
<b>Cash flows from financing activities</b>	<b>245</b>	<b>226</b>	<b>19</b>	<b>547</b>	<b>335</b>	<b>211</b>	<b>855</b>	<b>700</b>	<b>155</b>
Impact of subsidiaries held for sale	(0)	(0)		(8)	(8)		(0)	(0)	
Impact of changes in exchange rates	(3)	(3)		2	2		2	2	
<b>Change in cash and cash equivalents <sup>(1)</sup></b>	<b>367</b>	<b>367</b>	<b>0</b>	<b>225</b>	<b>225</b>	<b>0</b>	<b>1,022</b>	<b>1,022</b>	<b>0</b>
Opening cash and cash equivalents <sup>(1)</sup>	2,167	2,167		1,146	1,146		1,146	1,146	
Closing cash and cash equivalents <sup>(1)</sup>	2,534	2,534		1,370	1,370		2,167	2,167	

(1) Excluding cash held at post offices

(2) Including, in relation to La Poste's capital increase, decided on in April 2011, €1,050 million received in the 1<sup>st</sup> half of 2012 and €600 million received in the 1<sup>st</sup> half of 2013

# GENERAL ITEMS

## NOTE 1 Significant events in the first half of the year

- 1.1 Primary changes in the scope of consolidation
- 1.2 Financing of local authorities
- 1.3 Buyback of non-controlling interests from La Banque Postale Gestion Privée
- 1.4 €600 Million capital increase of La Poste

### 1.1 Changes in the scope of consolidation

#### Acquisition of BPE

Acquisition on 2 April 2013 of 100% of BPE (formerly Banque Privée Européenne) after the spin-off of wealth management activities at Crédit Mutuel Arkéa, for an acquisition cost of €115 million. Since there was no valuation at fair value of the assets and liabilities acquired, the goodwill presented in the accounts (nearly 0) is provisional in nature. This acquisition is part of the development of the Bank's private banking area and will boost the range of the offer for this segment.

### 1.2 Financing of local authorities

La Banque Postale Collectivités Locales was formed during the first half of 2013. La Banque Postale holds a 65% interest in this company, while Caisse des Dépôts holds 35%. This subsidiary will provide services related to marketing the credits granted by La Banque Postale to the local authorities and hospitals. La Banque Postale Collectivités Locales will have intermediary status in bank transactions. This company's business activity will begin in the second half of 2013.

### 1.3 Buyback of non-controlling interests from La Banque Postale Gestion Privée

In accordance with the terms of the partnership protocol that was signed in 2007 between La Banque Postale and Oddo et Cie as part of their joint subsidiary, La Banque Postale Gestion Privée (LBPGP), in September 2012, La Banque Postale had announced its decision not to renew this partnership when it reached the end of its term.

The 49% equity investment in La Banque Postale Gestion Privée held by Oddo & Cie was acquired on 27 June 2013, at the end of an arbitration procedure which determined the acquisition price.

### 1.4 La Poste capital increase of €600 million

In accordance with the decisions of the Extraordinary General Meeting on 6 April 2011, relating to the La Poste capital increase, the French government and Caisse des Dépôts exercised the 350 million in equity warrants they were holding in April 2013, which resulted in the issuance of 100 million new shares at a unit price of €6, €2 of which was an issue premium.

Following this transaction, La Poste's share capital rose to €3.8 billion, and the "issue premium" entry to €900 million.

## NOTE 2 Basis of preparation for the consolidated financial statements

- 2.1 Accounting guidelines
- 2.2 Measurement bases and use of estimates

Anonyme [French public limited company] since 1 March 2010, and has its registered office at 44 boulevard de Vaugirard in Paris. It had previously been an independent state-owned entity, already subject to the same financial management and accounting rules as commercial operators.

The condensed consolidated half-yearly financial statements of Le Groupe La Poste as of 30 June 2013 were approved by the Board of Directors (meeting on 1 August 2013).

### 2.1 Accounting guidelines

Pursuant to European regulation 1606/2002 dated 19 July 2002, the condensed consolidated financial statements of Le Groupe La Poste for the half-year ended 30 June 2013 were prepared in accordance with the international financial reporting standards (IFRS) as adopted by the European Union, available on the website [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm). The condensed consolidated financial statements as of 30 June 2013 have been prepared in accordance with IAS 34 – *Interim financial reporting*. The condensed financial statements do not contain all the information required for full annual financial statements, and should be read in conjunction with the Group's financial statements at 31 December 2012.

With the exception of the items described in paragraph A. below, the accounting principles applied at 30 June 2013 are identical to those used at 31 December 2012. These principles have been presented in Note 3 to the Group's financial statements as of 31 December 2012.

#### A. Standards and interpretations with mandatory first-time application as of 30 June 2013

##### **IAS 19 (amended in 2011) – Employee benefits**

Amended standard IAS 19 introduces several changes to the accounting principles on employee benefits.

The main impact for the Le Groupe La Poste is the elimination of the "corridor method" in recognising actuarial gains (losses) on post-employment benefits. The application of the amended standard IAS 19 has led to recognising actuarial gains (losses) in other comprehensive income items, which were until then not recognised. Unrecognised actuarial gains (losses) totalled -€108 million as of 31 December 2012, -€51 million as at 30 June 2012, and +€46 million as at 31 December 2011. They were recorded through other comprehensive income items in the restated comparative financial statements.

The other modifications that were introduced by amended standard IAS 19 either did not or only slightly impacted the Group's financial statements as of 30 June 2013.

##### **IFRS 13 – Valuation at fair value**

This standard did not have a significant impact on the Group's financial statements as of 30 June 2013.

##### **Amendments to IFRS 7 – Disclosures: Offsetting financial assets and liabilities**

This text did not have a significant impact on the Group's financial statements as of 30 June 2013.

##### **Amendments to IAS 1 – Presentation of other comprehensive income items**

In the context of the table on other comprehensive income items, this text enables a distinction to be made between recyclable items in net profit/(loss) and non-recyclable items.

##### **Amendments to IAS 12 – Recovery of underlying assets**

This text did not have a significant impact on the Group's financial statements as of 30 June 2013.

##### **2009 – 20011 Annual improvements**

This text did not have a significant impact on the Group's financial statements as of 30 June 2013.

##### **IFRIC 20 – Clearing expenses incurred during the production phase of an open-pit mine**

This text did not have an impact on the Group's financial statements as of 30 June 2013.

## **B. Standards and interpretations with mandatory application after 30 June 2013 and not yet adopted**

Le Groupe La Poste did not adopt early any standard or interpretation with mandatory application after 30 June 2013.

### **2.2 Measurement bases and use of estimates**

The consolidated financial statements are prepared using the historical cost method, with the exception of certain financial instruments measured at fair value.

When preparing the financial statements, the Group is required to make the best possible estimates and to make assumptions that affect the values of assets and liabilities in the balance sheet, the contingent assets and liabilities disclosed in the notes to the consolidated financial statements and the income and expenses in the income statement. Actual amounts may subsequently differ from these estimates and assumptions.

The items primarily concerned are:

- Calculation of employee benefit obligations
- Estimate of contingency and loss provisions, especially the Home-Ownership Savings provision
- Assumptions used for impairment testing of goodwill, property, plant and equipment and intangible assets
- Measurement of financial instruments not listed on organised markets
- La Banque Postale's measurement of credit risk
- Assumptions and estimates used to measure hedging effectiveness

## NOTE 3 Segment reporting

The principles for evaluating segment reporting and the segments presented have not been changed since 31 December 2012.

### H1 2013

(€ million)	Mail	Parcels-Express	Banking activities	Retail Brand	Real Estate	Shared Services	Unallocated <sup>(1)</sup>	Eliminations	Group Total
Revenue & NBI – Non-Group	5 322	2 816	2 748	43	19				10 948
Revenue & NBI – Inter-segment	317	21	12	2 034	416	409		(3 210)	
<b>Operating revenue</b>	<b>5 639</b>	<b>2 837</b>	<b>2 760</b>	<b>2 078</b>	<b>435</b>	<b>409</b>		<b>(3 210)</b>	<b>10 948</b>
<b>Operating profit/(loss)</b>	<b>327</b>	<b>182</b>	<b>403</b>	<b>(53)</b>	<b>36</b>	<b>(107)</b>	<b>(302)</b>	<b>(3)</b>	<b>483</b>
<b>Financial profit/(loss)</b>							(113)		(113)
Income tax							(83)		(83)
Share of profit of associates	0	0	111		1				112
<b>Consolidated net profit for the period</b>									<b>400</b>
Depreciation, amortisation, provisions and impairment for the year	(140)	(71)	(170)	(26)	(122)	(70)			(599)
Segment-allocated assets	3 083	3 170	204 787	725	4 217	8 740		(4 338)	220 386

### H2 2012

(€ million)	Mail	Parcels-Express	Banking activities	Retail Brand	Real Estate	Shared Services	Unallocated <sup>(1)</sup>	Eliminations	Group Total
Revenue & NBI – Non-Group	5 512	2 674	2 654	43	4				10 887
Revenue & NBI – Inter-segment	315	21	14	2 045	395	420		(3 209)	
<b>Operating revenue</b>	<b>5 827</b>	<b>2 695</b>	<b>2 668</b>	<b>2 088</b>	<b>398</b>	<b>420</b>		<b>(3 209)</b>	<b>10 887</b>
<b>Operating profit/(loss)</b>	<b>470</b>	<b>210</b>	<b>348</b>	<b>(39)</b>	<b>72</b>	<b>(99)</b>	<b>(330)</b>	<b>2</b>	<b>632</b>
<b>Financial profit/(loss)</b>							(122)		(122)
Income tax							(179)		(179)
Share of profit of associates	(2)	3	100		4				106
<b>Consolidated net profit for the period</b>									<b>437</b>
Depreciation, amortisation, provisions and impairment for the year	(136)	(84)	(168)	(28)	(109)	(69)		2	(591)
Segment-allocated assets	3 065	3 036	195 121	806	4 093	6 804		(3 571)	209 354

### 2012

(€ million)	Mail	Parcels-Express	Banking activities	Retail Brand	Real Estate	Shared Services	Unallocated <sup>(1)</sup>	Eliminations	Group Total
Revenue & NBI – Non-Group	10 774	5 538	5 217	88	41				21 658
Revenue & NBI – Inter-segment	636	42	24	4 143	809	840		(6 496)	
<b>Operating revenue</b>	<b>11 410</b>	<b>5 580</b>	<b>5 241</b>	<b>4 231</b>	<b>851</b>	<b>840</b>		<b>(6 496)</b>	<b>21 658</b>
<b>Operating profit/(loss)</b>	<b>684</b>	<b>403</b>	<b>621</b>	<b>16</b>	<b>109</b>	<b>(188)</b>	<b>(832)</b>	<b>3</b>	<b>816</b>
<b>Financial profit/(loss)</b>							(284)		(284)
Income tax							(231)		(231)
Share of profit of associates	(3)	6	176		1				180
<b>Consolidated net profit for the period</b>									<b>481</b>
Depreciation, amortisation, provisions and impairment for the year	(237)	(162)	(335)	(73)	(223)	(145)			(1 175)
Segment-allocated assets	2 973	3 156	195 471	951	4 311	8 139		(4 457)	210 544

(1) Including primarily the contribution to regional planning (including the costs relating to the accessibility constraint), financial profit/(loss) and income tax.

# Notes to the income statement

## NOTE 4 Revenue

- 4.1 Mail revenue
- 4.2 Parcels-Express revenue
- 4.3 Other revenue

Le Groupe La Poste's revenue from commercial business is generated by the Mail (domestic and international mail services), Express and Parcels business lines, as well as by La Poste Retail Brand and the Real Estate business line. It breaks down as follows:

(€ million)	H1 2013	H1 2012	2012
Mail revenue	5,322	5,512	10,774
<i>Of which Domestic mail services</i>	4,955	5,130	9,993
<i>Of which International mail</i>	367	382	781
Express revenue	2,064	1,937	4,016
Parcels revenue	752	737	1,522
La Poste Retail Brand revenue	43	43	88
Real Estate revenue	19	4	41
<b>Total</b>	<b>8,200</b>	<b>8,233</b>	<b>16,441</b>

### 4.1 Mail revenue

National Mail revenue is broken down as follows:

(€ million)	H1 2013	H1 2012	2012
Correspondence and other La Poste products and services	3,436	3,586	6,928
Advertising mail	710	770	1,514
Press	345	355	701
Other products and services of the subsidiaries	463	419	851
<b>Total</b>	<b>4,955</b>	<b>5,130</b>	<b>9,993</b>

"Press" revenue includes contractual remuneration paid by the French government in exchange for the reduced rates granted to press organisations as well as the remuneration of press operators.

"Other products and services" of the subsidiaries are mainly comprised of the revenue of the following companies:

- Mediapost, the leader in unaddressed admail and a specialist in geo-marketing for €176 million (€179 million as of the first half of 2012 and €343 million in 2012)
- Docapost BPO IS (formerly Dynapost), specialised in the integrated processing of business mail for €32 million (€31 million as of the first half of 2012 and €64 million in 2012)
- Docapost DPS (formerly Asphéria) and Orsid, providers of electronic publishing solutions and industrial document processing for €55 million (€54 million as of the first half of 2012 and €112 million in 2012)
- Docapost BPO SAS (formerly Extelia), specialised in the industrial processing of documents and data for €81 million (€80 million as of the first half of 2012 and €163 million in 2012)

## International Mail revenue breaks down as follows:

(€ million)	H1 2013	H1 2012	2012
Terminal dues	76	91	179
Mail franked at post office counters	49	62	129
Other International Mail	242	229	473
<b>Total</b>	<b>367</b>	<b>382</b>	<b>781</b>

Terminal dues correspond to remuneration received by La Poste for delivering mail from abroad in France. They are determined on the closing date based on estimates of weight and number of items delivered known at that date.

Other international Mail was comprised of:

- for La Poste, in revenue earned through companies and public sector entities for €113 million (€100 million as of the first half of 2012 and €206 million in 2012),
  - Revenue from companies in the international division for €129 million (including the company Asendia, with €104 million). Asendia, which has been held in joint control by la Poste Suisse since 1 July 2012, notably recovered the range of services (collection, preparation works, packaging, postal charges, addressing etc.) for the major issuers of international mail, which were previously offered by Brokers and BTB.

## 4.2 Parcels-Express revenue

**Express revenue** is wholly earned by the GeoPost sub-group, and is broken down as follows:

(€ million)	H1 2013	H1 2012	2012
Express France	525	483	1,016
Express Rest of world	1,539	1,454	3,000
<b>Total</b>	<b>2,064</b>	<b>1,937</b>	<b>4,016</b>

**Parcels revenue** breaks down as follows:

(€ million)	H1 2013	H1 2012	2012
Parcels franked at post office counters	223	218	455
Other Parcels services	529	520	1,066
<b>Total</b>	<b>752</b>	<b>737</b>	<b>1,522</b>

ColiPoste, the in-house operator of La Poste parent company, provided the other Parcels services to companies and public sector entities.

## 4.3 Other revenue

**La Poste Retail Brand revenue** includes revenue from La Poste Mobile, as well as commission received on third-party sales (excluding Mail, Parcels and Financial Services) carried out at post office counters (such as telephone card sales) and on sales of miscellaneous products.

**Real Estate revenue** relates to rental to non-Group tenants.

## NOTE 5 Net banking income

Group Net Banking Income breaks down as follows:

(€ million)	H1 2013	H1 2012	2012
<b>Interest and related income</b>	<b>2,918</b>	<b>3,221</b>	<b>6,103</b>
Interest and related expenses on treasury and inter-bank transactions	1,120	1,212	2,427
Interest and related expenses on customer transactions	1,022	900	1,856
Interest on available-for-sale financial assets and held-to-maturity investments and hedging transactions	776	1,110	1,820
<b>Interest and related expenses</b>	<b>(1,309)</b>	<b>(1,788)</b>	<b>(3,287)</b>
Interest and related expenses on treasury and inter-bank transactions	(13)	(17)	(23)
Interest and related expenses on customer transactions	(1,144)	(1,360)	(2,722)
Interest on debt securities and hedging transactions	(152)	(410)	(542)
<b>Commission income</b>	<b>1,109</b>	<b>1,036</b>	<b>2,144</b>
<b>Commission expenses</b>	<b>(112)</b>	<b>(117)</b>	<b>(237)</b>
<b>Net gains and losses on financial instruments at fair value through profit or loss</b>	<b>8</b>	<b>148</b>	<b>244</b>
<b>Net gains and losses on available-for-sale assets</b>	<b>103</b>	<b>89</b>	<b>163</b>
<b>Margin on insurance activities</b>	<b>47</b>	<b>34</b>	<b>76</b>
<b>Income and expenses from other activities</b>	<b>(15)</b>	<b>30</b>	<b>11</b>
<b>Total NBI</b>	<b>2,748</b>	<b>2,654</b>	<b>5,217</b>
<b>Total income</b>	<b>4,241</b>	<b>4,727</b>	<b>8,815</b>
<b>Total expenses</b>	<b>(1,493)</b>	<b>(2,073)</b>	<b>(3,597)</b>

## NOTE 6 Purchases and other external expenses

Purchases and other expenses break down as follows:

(€ million)	H1 2013	H1 2012	2012
External services and general sub-contracting	695	693	1,523
Purchases	287	275	652
Outsourced freight	1,578	1,487	2,995
International mail delivery services	80	89	173
Rental expenses	340	319	690
Maintenance and repair costs	182	178	398
Telecommunications costs	65	68	139
Travel and assignments	89	87	183
Other expenses	155	150	357
<b>Total</b>	<b>3,472</b>	<b>3,347</b>	<b>7,108</b>

## NOTE 7 Payroll expenses and workforce

- 7.1 Payroll expenses
- 7.2 Workforce

### 7.1 Payroll expenses

Payroll expenses are broken down below by type of cost as follows:

<i>(€ million)</i>	H1 2013	H1 2012	2012
Wages and salaries, bonuses and allowances	4,372	4,270	8,521
Pension contributions	707	688	1,367
Other social security contributions	911	884	1,751
Employee welfare costs	99	94	203
CICE Revenue	(129)	0	0
Change in post-employment provisions	(3)	(8)	(6)
Change in provisions for social security risks and staff litigation	17	4	3
Change in other employee provisions	(57)	(39)	(47)
Compensation-based taxes	415	412	807
<b>Total</b>	<b>6,332</b>	<b>6,305</b>	<b>12,599</b>

The amending finance law for 2012 dated 29 December 2012 established a Tax Credit to promote Competitiveness and Employment (CICE) as of 1 January 2013. This tax credit amounts to 4% of the remuneration paid that is less than 2.5 times the French minimum wage (SMIC) in 2013. This rate will go up to 6% as of 1 January 2014. This tax credit is recognised as a deduction for payroll expenses in the Group's accounts.

A tax credit is recognised in income for payroll expenses during the period, including the payroll expenses payable (i.e. income of €129 million).

A tax credit is also recorded based on the employee provisions (i.e. income of €38 million in the first half of 2013). In all, the CICE income for the period totals €167 million.

Given their extremely long-term nature, no tax credit has been taken into account for evaluating post-employment benefits.

### 7.2 Workforce

The Group's average workforce has changed as follows:

	H1 2013	H1 2012	2012
<b>Average number of employees (full-time employee equivalents per annum)</b>	<b>263,831</b>	<b>264,605</b>	<b>266,618</b>

## NOTE 8 Other operating expenses and income

Other operating expenses and income break down as follows:

(€ million)	H1 2013	H1 2012	2012
Local taxes	(72)	(80)	(150)
Other taxes	(55)	(37)	(86)
<b>Taxes and levies</b>	<b>(128)</b>	<b>(117)</b>	<b>(235)</b>
Net depreciation and amortisation	(492)	(469)	(960)
Goodwill	0	(19)	(19)
Impairment of non-current assets	(5)	(2)	(18)
Impairment of current assets	0	(7)	(9)
Losses on bad debts	(12)	(8)	(19)
Contingency and loss provisions	(13)	(5)	3
Banking activities cost of risk <sup>(1)</sup>	(78)	(82)	(152)
<b>Depreciation and provisions</b>	<b>(599)</b>	<b>(591)</b>	<b>(1,175)</b>
Capitalized production	40	46	112
Production transferred to inventories	1	0	40
Royalties	(13)	(12)	(22)
Revenues recorded following an acquisition of control <sup>(2)</sup>	(0)	13	14
Proceeds from accretion of CNP Assurances capital	8	0	14
Other operating revenue and expenses	30	13	65
<b>Other operating revenue and expenses</b>	<b>66</b>	<b>60</b>	<b>224</b>

(1) Of which net cost is linked to the Greek debt crisis: €30 million in the first half of 2012, €15 million for 2012 as a whole

(2) Of which in the first half of 2012: €7 million was for Seur SA and €6 million for IBC inc.

## NOTE 9 Financial profit/(loss)

- 9.1 Net borrowing cost  
9.2 Other financial items

### 9.1 Net borrowing cost

(€ million)	H1 2013	H1 2012	2012
Interest expense on financing transactions <sup>(1)</sup>	(96)	(96)	(193)
Change in the fair value of borrowings and debt-related swaps <sup>(2)</sup>	(17)	(19)	(61)
Income from cash and cash equivalents <sup>(3)</sup>	13	20	33
<b>Total</b>	<b>(100)</b>	<b>(95)</b>	<b>(221)</b>

(1) Including interest and gains (losses) on termination of debt-related derivative instruments.

(2) Including fair value hedging of borrowings.

(3) Including change in the fair value of financial assets held for investment.

As at 30 June 2013, the measurement of the bonds recognised at fair value through profit or loss under the fair value option takes into account the change in the cost of credit risk experienced in the first half of 2013. This change automatically increased the fair value of the bonds and generated a negative effect of €33 million on financial profit/(loss) as of 30 June 2013.

This change in the cost of credit risk had caused a negative effect on the financial profit/(loss) of €6 million as of 30 June 2012 and €45 million as of 31 December 2012.

### 9.2 Other financial items

Other financial items primarily include the cost of discounting provisions for employee benefits (€17 million as of the first half of 2013, €31 million as at the first half of 2012 and €67 million for 2012).

## NOTE 10 Income tax

The income tax expense breaks down as follows:

(€ million)	H1 2013	H1 2012	2012
Current tax (expense)	(132)	(191)	(235)
Deferred tax income/(expense)	49	11	4
<b>Deferred tax income/(expense)</b>	<b>(83)</b>	<b>(179)</b>	<b>(231)</b>

# NOTES TO THE BALANCE SHEET

## NOTE 11 Goodwill

### Breakdown of goodwill

UGT (€ million)	Sector	Net Value at 30/06/2013	Net Value at 31/12/2012
GeoPost Central Europe	Express	461	462
Exapaq	Express	334	334
GeoPost Spain	Express	238	238
GeoPost UK	Express	127	133
Mediapost	Mail	115	120
Sogec		44	44
Adverline		23	27
Mediapost		24	24
Media Prisme		15	15
Cabestan		9	9
Docapost	Mail	82	82
Docapost BPO (ex-Extelia)		47	47
Orsid		22	22
Sefas		8	8
Other Docapost companies		6	6
DPD Laser Finance	Express	43	50
Viapost	Mail	45	45
Morin		34	34
Orium		11	11
Asendia	Mail	30	30
Tocqueville Group	Banking activities	27	27
Other Express companies	Express	49	32
Other banks	Banking activities	8	8
Miscellaneous		2	2
<b>Total</b>		<b>1,561</b>	<b>1,562</b>
<b>Mail</b>		<b>272</b>	<b>277</b>
<b>Express</b>		<b>1,251</b>	<b>1,249</b>
<b>Banking activities</b>		<b>36</b>	<b>36</b>
<b>Others</b>		<b>2</b>	<b>2</b>

### Change in goodwill

(€ million)	30/6/2013	31/12/2012
<b>Opening balance</b>	<b>1,562</b>	<b>1,417</b>
Acquisitions	17	167
Disposals	0	(1)
Reclassification and other	(5)	(2)
Translation adjustments	(15)	1
Impairment	0	(19)
<b>Closing balance</b>	<b>1,561</b>	<b>1,562</b>
of which: Gross value	1,696	1,698
Impairment	(135)	(136)

Tigers, a company specialised in freight forwarding that is based in Hong Kong, was acquired on 30 June 2013, resulting in provisional goodwill of €17 million.

#### Impairment

Le Groupe La Poste tests for impairment of goodwill that is at greatest risk for impairment yearly, or as frequently as events or changes occur that indicate a loss in value. These tests are carried out using the procedure described in Note 15.3 of the Notes to the consolidated financial statements at 31 December 2012.

No loss in value was recorded as of the first half of 2013.

## NOTE 12 Intangible assets and property, plant and equipment

(€ million)	Intangible assets	Property, plant and equipment	Total
<b>GROSS VALUE</b>			
<b>Balance at 31/12/2012</b>	<b>2,435</b>	<b>11,176</b>	<b>13,612</b>
Acquisitions	96	269	365
Disposals	(292)	(216)	(508)
Change in consolidation scope	18	28	46
Transfers	13	(33)	(20)
Translation adjustments	(1)	(18)	(19)
<b>Balance at 30/06/2013</b>	<b>2,269</b>	<b>11,207</b>	<b>13,476</b>
<b>DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>			
<b>Balance at 31/12/2012</b>	<b>(1,610)</b>	<b>(5,114)</b>	<b>(6,724)</b>
Depreciation for the year	(128)	(363)	(492)
Impairment	(0)	(12)	(12)
Reversal of impairment	0	7	7
Reversals on disposals	291	175	466
Change in consolidation scope	(3)	(12)	(15)
Transfers	1	16	16
Translation adjustments	1	7	8
<b>Balance at 30/06/2013</b>	<b>(1,449)</b>	<b>(5,297)</b>	<b>(6,746)</b>
<b>NET VALUE</b>			
<b>at 31/12/2012</b>	<b>825</b>	<b>6,062</b>	<b>6,887</b>
<b>at 30/06/2013</b>	<b>820</b>	<b>5,909</b>	<b>6,729</b>
<i>Of which finance leases</i>			
<i>at 31/12/2012</i>		<b>91</b>	
<i>at 30/06/2013</i>		<b>85</b>	

## NOTE 13 Investments in equity associates

(€ million)	CNP Assurances	Other	Total
<b>Balance at 31/12/2012</b>	<b>2,327</b>	<b>119</b>	<b>2,446</b>
Profit/(loss) Group share for the period	111	1	112
Dividends <sup>(1)</sup>		(5)	(5)
Net change in fair value of financial instruments and AFS securities	(33)	6	(27)
Impairment			
Change in consolidation scope		2	2
Capital increase		(2)	(2)
Transfers and reclassification			
Translation adjustments	(12)	(2)	(15)
Effect of accretion on capital increase	8		8
Other	(5)		(5)
<b>Balance at 30/06/2013</b>	<b>2,395</b>	<b>119</b>	<b>2,515</b>

(1) The Group chose to receive the stock dividend from CNP Assurances in 2013 (as in 2012), which resulted in the acquisition of 17,504,455 new shares of CNP Assurances, thus causing its interest to rise to 20.15% (compared to 19.98% as of 31 December 2012). This transaction resulted in a profit of €8 million being recognised in income, compared to €14 million in 2012 (see Note 8).

## NOTE 14 Other assets from industrial and commercial business activities

(€ million)	30/6/2013		31/12/2012	
	Current	Non-current	Current	Non-current
Net unconsolidated investments	0	135	0	131
Derivatives	65	378	87	464
Financial assets held for investment	457	459	629	186
Net other financial assets	69	94	64	113
<b>Total other financial assets</b>	<b>590</b>	<b>1,067</b>	<b>781</b>	<b>894</b>
Other supplies	89		89	
Net other supplies	60		114	
<b>Net total supplies</b>	<b>149</b>		<b>203</b>	
Net trade receivables	1,874		1,711	
Accounts receivable for international mail	492		437	
Other accounts receivable	431		305	
<b>Total trade and other accounts receivable</b>	<b>2,797</b>		<b>2,453</b>	
Cash equivalents	2,313		2,011	
Cash and cash equivalents	221		156	
<b>Total cash and cash equivalents</b>	<b>2,534</b>		<b>2,167</b>	

### Financial assets held for investment purposes

This refers to assets acquired as part of treasury management, for which original maturity is greater than three months. These financial assets are essentially comprised of bonds (€741 million as of 30 June 2013, €353 million as of 31 December 2012) and negotiable debt securities, for which the maturity dates are generally between 3 and 12 months (€175 million as of 30 June 2013, €205 million as of 31 December 2012). As of 31 December 2012, these financial assets also included term deposits able to be released after more than three months, totalling €250 million.

Negotiable debt securities, for which the original maturity was less than three months, are classified in the "Cash and cash equivalents" line item.

### Derivatives

The derivatives line represents instruments put in place to manage the interest rate and foreign exchange risks on the debt. They must therefore be looked at together with "Bonds and other financial debts". Bond derivatives are broken down in Note 17.3.

## NOTE 15 Financial assets from banking activities

(€ million)	30/06/13	31/12/12
Sight customer receivables and loans	806	633
Term customer receivables and loans	54,300	48,591
<i>of which home loans</i>	48,516	44,993
Finance leases	290	172
Securities equivalent to customer receivables and loans	713	526
<b>Total customer receivables and loans</b>	<b>56,109</b>	<b>49,922</b>
Sight credit institutions receivables	439	252
Time credit institutions receivables	83,707	77,798
Securities equivalent to credit institutions receivables	2,974	3,204
<b>Total credit institutions receivables</b>	<b>87,120</b>	<b>81,254</b>
Held-to-maturity investments	36,009	37,036
<i>of which government securities and equivalent</i>	32,484	33,162
Available-for-sale financial assets	10,683	9,892
Financial assets at fair value through profit and loss	7,070	7,061
<i>of which financial assets held for trading</i>	6,811	6,791
<i>of which derivatives</i>	260	270
Revaluation adjustment on hedged portfolios (fair value hedging)	105	293
<b>Total portfolio of banking activities securities</b>	<b>53,867</b>	<b>54,281</b>
<b>Other current financial assets of banking activities</b>	<b>1,174</b>	<b>1,305</b>
<b>Asset accrual accounts</b>	<b>1,544</b>	<b>2,387</b>
Central banks	1,163	2,478
Cash and other	190	248
<b>Total Cash, central bank of banking activities</b>	<b>1,354</b>	<b>2,726</b>

## NOTE 16 Contingency and loss provisions

- 16.1 Specific provisions for the insurance and banking businesses  
16.2 Other contingency and loss provisions

### 16.1 Specific provisions for the insurance and banking businesses

As of 30 June 2013, specific provisions for the insurance and banking businesses, classified as current contingency and loss provisions, break down as follows:

(€ million)	Home Savings Risk	Technical & actuarial reserves	Total Specific provisions for the insurance and banking businesses
<b>Non-current provisions</b>			
<b>Current provisions</b>	<b>331</b>	<b>674</b>	<b>1,005</b>
<b>Balance at 31/12/2012</b>	<b>331</b>	<b>674</b>	<b>1,005</b>
Charge for the year	0	627	627
Reversal for use		(548)	(548)
Net reversal of the Home Savings provision	(3)		(3)
Other movements	-	(10)	(10)
<b>Non-current provisions</b>			
<b>Current provisions</b>	<b>328</b>	<b>743</b>	<b>1,071</b>
<b>Balance at 30/06/2013</b>	<b>328</b>	<b>743</b>	<b>1,071</b>

### 16.2 Other contingency and loss provisions

As of 30 June 2013, other contingency and loss provisions break down as follows:

(€ million)	Employee- related claims	Other disputes	Other	Total other contingency and loss provisions
<b>Non-current provisions</b>	<b>26</b>	<b>30</b>	<b>34</b>	<b>90</b>
<b>Current provisions</b>	<b>49</b>	<b>51</b>	<b>285</b>	<b>385</b>
<b>Balance at 31/12/2012</b>	<b>75</b>	<b>81</b>	<b>319</b>	<b>475</b>
Charge for the year	31	13	42	86
Reversal for use	(8)	(8)	(19)	(34)
Reversal of provisions no longer required	(7)	(4)	(3)	(14)
Discounting	(0)	0	(0)	(0)
Other movements	0	(0)	4	4
<b>Non-current provisions</b>	<b>19</b>	<b>20</b>	<b>37</b>	<b>76</b>
<b>Current provisions</b>	<b>73</b>	<b>62</b>	<b>307</b>	<b>441</b>
<b>Balance at 30/06/2013</b>	<b>92</b>	<b>81</b>	<b>344</b>	<b>517</b>

## NOTE 17 Bonds and other debt

- 17.1 Breakdown of financial debt
- 17.2 Bonds
- 17.3 Bond derivatives

### 17.1 Breakdown of financial debt

(€ million)	30/6/2013		31/12/2012	
	Short term	Medium- and long-term	Short term	Medium- and long-term
<b>Debt at amortised cost</b>	<b>1,250</b>	<b>3,215</b>	<b>1,346</b>	<b>3,226</b>
- Bonds	726	3,128	726	3,128
- Finance leases	8	49	6	58
- La Poste savings bonds	65		66	
- Commercial paper				
- Current bank facilities	29		23	
- Deposits and guarantees received	376	27	486	25
- Other borrowings at amortized cost	47	12	40	15
<b>Borrowings designated at fair value</b>	<b>54</b>	<b>2,261</b>	<b>80</b>	<b>2,304</b>
- Bonds		2,231		2,294
- Derivative liabilities	54	31	80	9
<b>Borrowings subject to fair value hedging</b>		<b>535</b>		<b>546</b>
- Bonds		535		546
- Derivative liabilities				
<b>Other derivatives</b>	<b>10</b>	<b>11</b>	<b>5</b>	<b>9</b>
<b>Accrued interest on borrowings</b>	<b>181</b>		<b>136</b>	
<b>Medium and long-term bonds and other debt (non-current)</b>		<b>6,023</b>		<b>6,085</b>
<b>Short-term bonds and other debt (current)</b>	<b>1,495</b>		<b>1,567</b>	
<b>Total current and non-current</b>	<b>7,517</b>		<b>7,652</b>	

## 17.2 Bonds

Bonds, excluding accrued interest, changed as follows:

<i>(€ million)</i>	Borrowings at outstanding balance	Borrowings at fair value	Hedged borrowings	Total
<b>Balance at 31/12/2012</b>	<b>3,853</b>	<b>2,294</b>	<b>546</b>	<b>6,694</b>
New borrowings	0	0	0	0
Redemptions	0	0	0	0
Other changes	1	(63)	(11)	(73)
<b>Balance at 30/06/2013</b>	<b>3,854</b>	<b>2,231</b>	<b>535</b>	<b>6,620</b>

## 17.3 Bond derivatives

*(€ million)*

	Fair value <sup>(1)</sup> at 30/06/2013		Fair value <sup>(1)</sup> at 31/12/2012	
	Assets	Liabilities	Assets	Liabilities
<b>Trading derivatives at fair value through profit or loss</b>				
Fixed-rate receiver/floating-rate payer derivatives	394	31	480	9
Floating-rate receiver/fixed-rate payer derivatives		54		79
<b>TOTAL</b>	<b>394</b>	<b>84</b>	<b>480</b>	<b>88</b>
<b>Hedging derivatives</b>				
Fair value hedging	<b>44</b>		<b>67</b>	
<b>Other</b>				
Caps/floors				
<b>TOTAL BOND DERIVATIVES</b>	<b>438</b>	<b>84</b>	<b>547</b>	<b>88</b>
<b>Reserves balance on interrupted hedging derivatives</b>				
Cash flow hedging derivatives		12		13

*(1) Including interest accrued not due*

## NOTE 18 Net debt

- 18.1 Net debt position  
18.2 Changes in net debt

### 18.1 Net debt position

(€ million)	Note	30/06/13	31/12/12
Cash and cash equivalents (balance sheet item)	14	2,534	2,167
Debt-related derivative assets	14	442	551
Investment securities with initial maturities of over 3 months	14	916	815
Security deposits paid in connection with derivatives, recognised as assets	14	43	48
Net financial receivable vis-à-vis La Banque Postale		678	611
<b>Cash and other assets (1)</b>		<b>4,614</b>	<b>4,192</b>
Medium and long-term bonds and other debt	17	6,023	6,085
Short-term bonds and other debt	17	1,495	1,567
<b>Gross debt (2)</b>		<b>7,517</b>	<b>7,652</b>
<b>Net debt</b>	<b>(2)-(1)</b>	<b>2,903</b>	<b>3,460</b>
<b>Change in net debt at 30 June 2013</b>		<b>(557)</b>	

### 18.2 Changes in net debt

(€ million)	Note	H1 2013	H1 2012
<b>Cash flows from operating activities</b>	<b>CFS<sup>(1)</sup></b>	<b>+591</b>	<b>+620</b>
Cash flows from investing activities	<b>CFS</b>	(447)	(725)
Neutralisation of the change in cash management financial assets		+102	+413
<b>Cash flow from investing activities excluding the acquisition and disposal of cash management financial assets<sup>(2)</sup></b>		<b>(345)</b>	<b>(312)</b>
Capital increase		+602	+1,050
Dividends paid to the government		(171)	(144)
Purchases of non-controlling interests		(2)	
Net interest expense		(82)	(78)
Change in fair value of debt, assets held for investment and derivatives		(18)	(17)
Impact on gross debt of changes in consolidation scope		(13)	(6)
Increase in finance lease debt		(1)	(3)
Redemption premium and bond borrowing costs			
Other items <sup>(3)</sup>		(4)	(8)
<b>Cash flows and change in debt from financing activities</b>		<b>+311</b>	<b>+795</b>
<b>Change in net debt</b>		<b>+557</b>	<b>+1,103</b>
Net debt at the beginning of the period		(3,460)	(4,544)
Net debt at the end of the period		(2,903)	(3,441)

(1) The "CFS" notes refer to the "Non-Banking" column of the Cash Flow Statement in the consolidated cash flow statements.

(2) Cash flows from investing activities differ from CFS by excluding the "change in financial assets relating to treasury management," which are assets from the decrease in calculation of net debt.

(3) The "Other items" line includes, in particular, the impact of currency fluctuation on net debt and dividends paid to non-controlling interests, and the increase in debt resulting from finance leases

## NOTE 19 Employee benefits

It became mandatory to apply amended standard IAS 19 as of 1 January 2013 (see note 2.1.A). Provisions for employee benefits have been restated as follows as of 31 December 2012:

( <i>€ million</i> )	31/12/2012 as reported		Application of IAS 19 Revised	31/12/2012 restated	
	Current	Non-current		Current	Non-current
- Post-employment benefits for La Poste's state employees	17	443	17	17	460
- Retirement benefits for the Group's contract employees	4	149	65	4	214
- Pension plans for employees of foreign subsidiaries		25	26		51
<b>Total post-employment benefits</b>	<b>21</b>	<b>617</b>	<b>108</b>	<b>21</b>	<b>725</b>
- Early retirement plans	340	886		340	886
- Severance pay	82	26		82	26
<b>Total early retirement and similar plans</b>	<b>422</b>	<b>912</b>		<b>422</b>	<b>912</b>
- Long-term sick leave/long-term paid leave	64	52		64	52
- Accrued leave	108	110		108	110
- Other long-term benefits	2	23		2	23
<b>Total other long-term benefits</b>	<b>174</b>	<b>185</b>		<b>174</b>	<b>185</b>
<b>Total employee benefits</b>	<b>617</b>	<b>1,713</b>	<b>108</b>	<b>617</b>	<b>1,821</b>

Provisions for employee benefits have changed as follows during the first half of 2013:

( <i>€ million</i> )	31-12-2012		Increase	Decrease for use	Change in actuarial adjustme nts	Other changes	30/6/2013	
	Current	Non-current					Current	Non-current
- Post-employment benefits for La Poste's state employees	17	460	9	(9)	(19)		17	441
- Retirement benefits for the Group's contract employees	4	214	12	(2)	(11)	4	4	218
- Pension plans for employees of foreign subsidiaries	0	51	2	(5)	(1)	(5)	0	42
<b>Total post-employment benefits</b>	<b>21</b>	<b>725</b>	<b>23</b>	<b>(16)</b>	<b>(31)</b>	<b>(0)</b>	<b>21</b>	<b>701</b>
- Early retirement plans	340	886	137	(183)		0	304	877
- Severance pay	82	26		(0)		(0)	82	26
<b>Total early retirement and similar plans</b>	<b>422</b>	<b>912</b>	<b>137</b>	<b>(183)</b>		<b>0</b>	<b>385</b>	<b>903</b>
- Long-term sick leave/long-term paid leave	64	52		(4)			64	48
- Accrued leave	108	110	2	(6)			107	106
- Other long-term benefits	2	23	5	(1)		(0)	8	21
<b>Total other long-term benefits</b>	<b>174</b>	<b>185</b>	<b>7</b>	<b>(11)</b>		<b>(0)</b>	<b>179</b>	<b>176</b>
<b>Total employee benefits</b>	<b>617</b>	<b>1,821</b>	<b>168</b>	<b>(210)</b>	<b>(31)</b>	<b>(0)</b>	<b>586</b>	<b>1,779</b>

## NOTE 20 Financial liabilities from banking activities

(€ million)	30/06/13	31/12/12
Sight liabilities to credit institutions	164	77
Time liabilities to credit institutions	18 531	15 734
<i>of which securities given under repurchase agreements</i>	16 714	14 948
Debt securities	7 344	5 772
<i>of which certificates of deposit</i>	5 902	4 264
<b>Total liabilities to credit institutions</b>	<b>26 039</b>	<b>21 584</b>
Special savings accounts	114 460	111 414
<i>of which Livret A (savings passbook)</i>	64 779	61 756
<i>of which PEL and CEL</i>	26 721	26 467
<i>of which LEP savings accounts</i>	8 889	9 375
Sight liabilities to customer	47 439	45 639
<i>of which ordinary accounts payable</i>	47 207	45 383
Term liabilities to customers	4 765	3 341
<b>Total customer transactions</b>	<b>166 665</b>	<b>160 393</b>
Financial liabilities at fair value through profit and loss	106	111
Other	1 088	1 302
<b>Total other financial liabilities</b>	<b>1 194</b>	<b>1 413</b>
<b>Liability accrual accounts</b>	<b>2 174</b>	<b>3 493</b>

## NOTE 21 Trade and other accounts payable

(€ million)	30/06/13	31/12/12
Trade and other accounts payable	1,293	1,367
Tax and employee-related payables	1,759	1,834
Accounts payable to non-current asset suppliers	159	241
Accounts payable for international mail	488	463
Customer advances and deposits	214	165
Other operating payables	174	278
<b>Total</b>	<b>4,088</b>	<b>4,349</b>

# ADDITIONAL INFORMATION

## NOTE 22 Additional information on financial instruments

- 22.1 Impact of financial instruments on profit and equity
- 22.2 Fair value of financial instruments recognised at amortised cost
- 22.3 Ranking of fair value assessments recognised on the balance sheet
- 22.4 Exposure to sovereign risk

### 22.1 Impact of financial instruments from banking activities on profit and equity

1 <sup>st</sup> half 2013 (€ million)	Changes in fair value				Derecognition and dividends	Net gain (loss)
	Interest income (expense)	Fair value through profit or loss	Fair value through equity	Impairment		
Loans, receivables and payables	962			(77)		885
Held-to-maturity investments	625					625
Available-for-sale assets	68		(39)		103	132
Financial instruments at fair value through profit or loss		27				27
Hedging transactions	(47)	(19)				(66)
<b>TOTAL</b>	<b>1,608</b>	<b>8</b>	<b>(39)</b>	<b>(77)</b>	<b>103</b>	<b>1,603</b>

### 22.2 Fair value of financial instruments recognised at amortised cost

ASSETS (€ million)	30/06/2013	
	Book value	Fair value
<b>Bank assets</b>		
Loans and receivables on banks	87,120	87,212
Customer receivables and loans	56,109	57,635
Held-to-maturity investments	36,009	39,205
<b>LIABILITIES</b>		
<b>Banking liabilities</b>		
Liabilities to credit institutions	18,695	18,699
Customer transactions	166,665	166,671
Debt securities	6,504	6,504
Subordinated debt	840	806
<b>Non banking liabilities</b>		
Bonds at amortized cost	3,854	4,357

### 22.3 Ranking of fair value assessments recognised on the balance sheet

The methods used to evaluate fair value have not changed since 31 December 2012.

#### Non-banking financial instruments

The fair value of non-banking financial instruments is assessed according to the methods pertaining to level 2 of the fair value ranking (which has not changed since 31 December 2012).

## Banking financial instruments

<b>BANKING ASSETS</b> (€ million)	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Government securities and equivalent	163	50	
Bonds and other fixed income securities	2,042	4,519	
Shares and other variable income securities	37		
<b>Financial assets at fair value through profit and loss</b>	<b>2,242</b>	<b>4,569</b>	-
Shares and other variable income securities			
<b>Financial assets designated at fair value through profit or loss</b>	-	-	-
Interest rate derivatives		102	
Exchange rate derivatives		1	
Derivatives on shares and indices		5	
<b>Trading derivatives</b>	-	<b>108</b>	-
Interest rate derivatives		158	
<b>Hedging derivatives at fair value</b>	-	<b>158</b>	-
Interest rate derivatives		102	
<b>Cash flow hedging derivatives</b>	-	<b>102</b>	-
Government securities and equivalent	1,668	36	
Bonds and other fixed income securities	7,756	176	
Shares and other variable income securities	1,047		
Net unconsolidated investments	4	88	19
<b>Available-for-sale financial assets</b>	<b>10,475</b>	<b>300</b>	<b>19</b>

<b>BANKING LIABILITIES</b> (€ million)	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Debt securities		6	
<b>financial assets designated at fair value through profit or loss</b>	-	<b>6</b>	-
Interest rate derivatives		68	
Exchange rate derivatives		5	
Other derivatives		18	
Derivatives on shares and indices		9	
<b>Trading derivatives</b>	-	<b>100</b>	-
Interest rate derivatives		360	
<b>Hedging derivatives at fair value</b>	-	<b>360</b>	-

### Level 3 fair value: reconciliation of balances from opening to the balance sheet date.

(€ million)	Assets at fair value through profit and loss	Assets through profit and loss under the fair value option	Trading derivatives	Hedging derivatives	Available-for-sale assets	<b>TOTAL</b>
<b>Opening</b>					<b>20</b>	<b>20</b>
Gains & losses recorded in profit and loss						
Gains & losses recorded in equity					(1)	
Purchases						-
Sales						-
Issues						-
Redemptions						-
Other movements						-
Transfers to or from level 3						-
<b>Closing</b>	-	-	-	-	<b>19</b>	<b>19</b>

## 22.4 Sovereign risk exposures

The list of sovereign exposures was prepared in accordance with the scope defined by the European Banking Authority (EBA), in other words by including the exposure data relative to regional authorities, central authorities and businesses guaranteed by the government. Exposures are presented for the Group, i.e. for companies in which the Group has an equity interest of over 50%. On the basis of this listing, the Group does not have any exposure to Cyprus.

### SOVEREIGN EXPOSURE

(€ million)	Bank portfolio	Assets at fair value through profit and loss	Total direct exposure <sup>(1)</sup>	Guarantees	Total direct and indirect exposures <sup>(2)</sup>	% exposure
Greece						
Ireland	1		1	95	96	0.2%
Italy	1,656	110	1,766	193	1,959	5.0%
Portugal	1,171		1,171	171	1,341	3.4%
Spain	1,174		1,174	33	1,206	3.1%
<b>Total GIIPS</b>	<b>4,002</b>	<b>110</b>	<b>4,111</b>	<b>491</b>	<b>4,603</b>	<b>11.7%</b>
Germany	2,809		2,809		2,809	7.1%
Austria	69		69	33	102	0.3%
Belgium	1,950		1,950		1,950	4.9%
France	27,436	456	27,892		27,892	70.7%
Luxembourg	19		19		19	0.0%
Poland	10		10		10	0.0%
Slovakia	1		1		1	0.0%
Switzerland	3		3		3	0.0%
Slovenia	2		2		2	0.0%
Supra-national	1,011	103	1,115		1,115	2.8%
<b>Total Europe</b>	<b>33,311</b>	<b>560</b>	<b>33,870</b>	<b>33</b>	<b>33,904</b>	<b>85.9%</b>
Rest of the World	960		960		960	2.4%
<b>Total</b>	<b>38,273</b>	<b>669</b>	<b>38,942</b>	<b>524</b>	<b>39,467</b>	<b>102.8%</b>

(1) Direct exposures: net book value (including impairment) of their exposure

(2) Direct and indirect exposure: indirect exposure is added to direct exposure through guarantees given to Group UCITS

### SOVEREIGN EXPOSURE TO COUNTRIES THAT HAVE BEEN THE RECIPIENTS OF A SUPPORT PLAN

#### Breakdown by category

30 June 2013 (€ million)	Loans and receivables	Available for-sale-assets	Held-to-maturity investments	Total Bank portfolio	Assets at fair value through profit and loss <sup>(1)</sup>	Balance sheet total after impairment	Off-balance sheet <sup>(2)</sup>	TOTAL
Greece								
Ireland			1	1		1	95	96
Portugal			1,171	1,171		1,171	171	1,341
<b>TOTAL</b>			<b>1</b>	<b>1,172</b>		<b>1,172</b>	<b>265</b>	<b>1,437</b>

(1) The exposure shown is presented at its net book value on the balance sheet

(2) Off-balance sheet amounts correspond to indirect exposure through guarantees given, primarily to Group UCITS.

### Recognition of deferred gains and losses, and gains recorded in reserves

30 June 2013	Available-for-sale assets	Deferred losses and gains recorded in reserves	Valuation level <sup>(1)</sup>
Greece			
Ireland		1	N1
Portugal			

(1) N1: Valuation determined by prices listed in an active market

N2: Valuation technique using observable data

N3: Valuation technique using unobservable data

### Impact of impairment

(€ million)	Total	Of which impairment	Total before impairment
Greece			
Ireland	96		96
Portugal	1,341		1,341
<b>TOTAL</b>	<b>1,437</b>		<b>1,437</b>

### Breakdown by maturity

(€ million)	Total	Remaining life in years						
		1	2	3	4	5	<10	>10
Greece	96	95		1				
Ireland	1,341	351		568	423			
Portugal								
<b>TOTAL</b>	<b>1,437</b>	<b>446</b>		<b>569</b>	<b>423</b>			

## NOTE 23 Related party transactions

A new business contract was signed on 1 July 2013 by La Poste and the French government for the 2013-2017 period. This contract updates the respective commitments of La Poste and the French government for the next five years, in particular:

- Maintaining the public service missions that have been entrusted to La Poste: Universal Postal Service, Press transportation and delivery, Banking Accessibility and Regional Planning, maintaining the cost compensation principle for these three latter missions.
- A reinforcement of quality of service commitment.
- Missions adapted to users' expectations and technological advancements.
- The introduction of citizen commitments to promote the development of corporates and territories, act in favor of disadvantaged people, develop a digital society and engage in corporate social responsibility.

## NOTE 24 Off-balance sheet commitments and contingent liabilities

No significant change in off-balance sheet commitments and contingent liabilities has occurred since the 2012 balance sheet date (see Note 42 to the consolidated financial statements at 31 December 2012).

## NOTE 25 Post balance sheet events

Not applicable.

Report of the statutory auditors  
on the interim financial information



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**LA POSTE**  
**Société anonyme**

**Statutory Auditors' Review  
Report on the half-yearly  
consolidated financial  
statements**

For the six-month period ended 30 June 2013  
LA POSTE  
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44, boulevard de Vaugirard  
75015 Paris

*This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

## **LA POSTE** **Société anonyme**

Registered office: 44, boulevard de Vaugirard  
75015 Paris  
Share capital: €3,800,000,000

### **Statutory Auditors' Review Report on the half-yearly consolidated financial statements**

For the six-month period ended 30 June 2013

To the Shareholders,

Following our appointment as statutory auditors by ministerial decree dated 29 June 2009, in accordance with article 14 of French post office law dated 12 January 2010 concerning the state-owned company LA POSTE and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

the review of the accompanying condensed half-yearly consolidated financial statements of LA POSTE for the six-month period ended 30 June 2013,

the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

#### **I. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. 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 professional standards applicable in France 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.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Without qualifying the conclusion expressed above, we draw attention to notes 2.1.A and 19 to the financial statements which set out the change in accounting policies from the application of the revised standard IAS 19, related to employee benefits.

#### **II. Specific verification**

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense and Courbevoie, on the 1er août 2013

The statutory auditors  
*French original signed by*

KPMG Audit  
*A Department of KPMG S.A.*

MAZARS

François Caubrière  
*Partner*

Isabelle Goalec  
*Partner*

Guy Isimat-Mirin  
*Partner*

Dominique Muller  
*Partner*