

“Swiss Post does a magnificent job!”

**Speech by Jürg Bucher
CEO**

Media reception
Berne, 22 December 2010

CHECK AGAINST DELIVERY

Media Representatives, Ladies and Gentlemen,

Swiss Post does a magnificent job! This should be the heading of your articles. If you do not yet share this opinion at the moment, I am hoping that you will do so by the end of my brief address.

Swiss Post does a magnificent job. At the moment, in the days leading up to Christmas, Swiss Post is handling up to 20 million letters, 1 million parcels on peak days, and 650,000 financial transactions every day. During this time, Swiss Post staff will be replying to 16,000 letters from children addressed to Santa Claus. Ask yourself how often your Christmas post has failed to arrive on time, even though we too are not perfect. Swiss Post pulls off a top-class performance. And not just at Christmas, but all year round.

Swiss Post has undergone significant changes in the last year and has continued its development from a former monopoly to a competitive diversified company. At the same time it fulfils its mandate to provide a comprehensive basic service.

The major challenge for a national postal company is to make a profit from the physical core business of letters, packages and payments, even in small volumes, and to move into new business areas with electronic solutions.

Swiss Post is thus evolving into a unique hub for physical and electronic services in its four markets of communication, logistics, retail finance and public passenger transport. We compete against rivals in each market. The competition does not sleep. Everyone wants to secure their own piece of the cake – a certain market share.

Swiss Post has a successful future. Not only do we need to adapt to the new regulatory framework - we must also plan to do as well as we can within this framework. We plan to achieve an annual profit on the scale of 700 to 800 million francs, with normal industry returns in all four markets in order not to become dependent on just one area. We need to make such a profit in order to

- have the funds necessary for growth,
- manage risks with sufficient equity,
- remain an attractive and socially responsible employer and keep the pension fund healthy, and
- be able to deliver a dividend to the Confederation.

Where do we stand today? How do we wish to develop in the future?

In the communications market we have:

- developed the post office network further and introduced state-of-the-art letter processing,
- increased our market share in the postal market abroad,

- improved the interfaces between physical and electronic information processing, and
- established the importance of letters, newspapers and promotional mailings.

For the future, we intend to:

- continue to develop the network of access points in a customer-friendly and economical manner,
- win new customers, who leave the physical and electronic processing of their incoming mail and their documents to us, and
- keep on developing our services around letters, newspapers, promotional mailings and electronic services.

In the logistics market:

- we have a modern package processing system,
- we are able to make our customers a comprehensive offer for all logistics services, and
- we offer many additional services such as consignment collection, PickPost, online consignment tracking, and more.

For the future, we intend:

- to remain the number one in the courier, express and package market,
- to offer extensive solutions for small consignments, warehouse and night logistics from a single source, and,

- at the same time, to keep costs low and offer the highest quality.

In the retail finance market:

- we have developed our services in payments and savings and are continuously introducing innovations,
- we have made pioneering developments in electronic payment methods and now lead the field in Switzerland, with 1.2 million e-finance users, and
- we have expanded our sales activities and offer a nationwide network for SMEs, providing direct, on-site advice to customers.

For the future, we intend:

- that our customers will be able to manage their money independently with even greater efficiency,
- to offer open access across all sales channels and to make our customer service available around the clock, and
- to ensure that our products and services around our core business for payments and savings remain simple, straightforward and good value.
- Our current and future aim is to be different from the banks.

In the market for public passenger transport:

- we are the leading bus company in Switzerland,
- we offer many additional services along with the regular travel services, and

- we have also established ourselves as a quality supplier in neighbouring countries.

For the future, we intend:

- to develop our system services further,
- to simplify “combined mobility” with different means of transport – rail, bicycle, bus and more – and
- to make mobility more sustainable, thereby helping to protect the environment.

From this, it is becoming clear that electronic services do not compete with what was our physical core business in the past, but instead supplement and support it. They thus symbolise the consistent further development of Swiss Post. As a diversified company in the four different markets, Swiss Post is able to make cross-market offers for individual customer segments. For example, in the coming months it will be developing a product house for electronic solutions at Swiss Post Solutions. The services developed are sold to customers by the individual Group units together with physical products such as letters and packages.

Our business in Switzerland is supported by our activities abroad. Swiss Post is growing these activities gradually and cautiously to meet the needs of Swiss customers abroad, and provides them with access to the global network. Swiss Post is investing little in infrastructure, focusing instead on cooperations with companies and networks. The risk remains manageable at all times: the plan is for 15 per cent of turnover and 11 per cent of profit. With its activities

abroad, Swiss Post is above all protecting its domestic market against international competition. After all, our ambition must be to establish our position at the head of our markets in a fully liberalized market.

As regards international activities, allow me to say a word about Wikileaks. What we experienced in terms of the internationally orchestrated online attack on e-finance is a new dimension that should give all companies food for thought. There are no new aspects relating to the opening and closure of the account of the Wikileaks founder.

I am convinced that the best guarantee of a high-quality basic service is a successful Swiss Post. The mandate to provide the basic service is also an opportunity for us to justify the trust that has been placed in us: we shall continue to provide our customers with a dense network of 3,600 access points and a high quality of service. This is not simply a lofty promise. After all, the fact that 60,000 Swiss Post employees are doing a magnificent job is something I notice every day!

We move people, goods, money and information – reliably, profitably and sustainably. And we shall continue to do so in 2011.

Thank you for your attention.