

DE POST LA POSTE

**IS A GROUP HANDLING MORE THAN
12 MILLION MAIL
ITEMS A DAY. THE MANY CHANGE AND
MODERNIZATION PROJECTS
HELP TO CONSTANTLY IMPROVE
THE FINANCIAL HEALTH, THE
QUALITY AND
THE OPERATIONAL PERFORMANCE
OF THE COMPANY.**

**THIS PUTS DE POST-LA POSTE
IN AN IDEAL POSITION
TO FACE THE FULL
LIBERALIZATION
OF THE POSTAL MARKET IN 2011.**



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POLE
POSITION
ON TRACK FOR COMPLETE LIBERALIZATION

KEY FIGURES

2009



Our strategy continues to be founded on the same principles: strong results and total reliability.”

P&L AND B/S KEY FIGURES

(Million EUR for the year ended 31 December)

Operating income 2009	Operating income 2008	Profit from operating activities (EBIT) 2009	Profit from operating activities (EBIT) 2008
2,250.1	2,262.4	373.6	269.4

EBITDA 2009	EBITDA 2008	Profit for the year 2009	Profit for the year 2008
475.2	360.5	290.9	221.8

OTHER KEY FIGURES

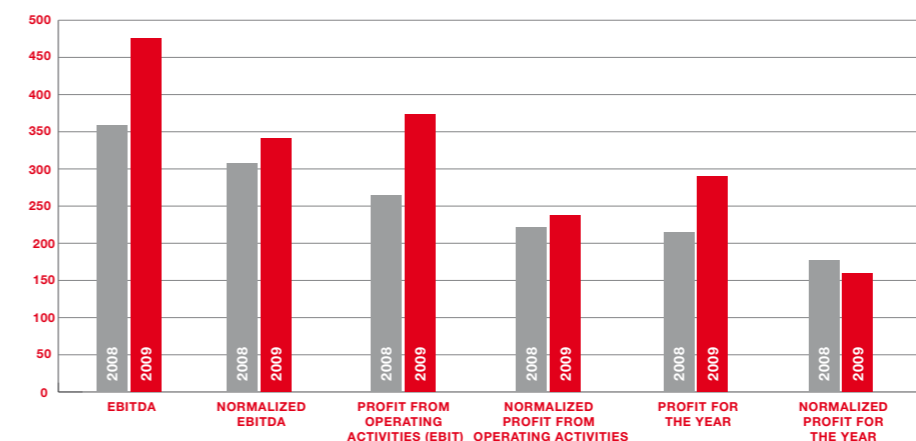
Normalized EBITDA 2009	Normalized EBITDA 2008	Equity 2009	Equity 2008
341.7	312.5	1,132.5	930.1

Normalized EBIT 2009	Normalized EBIT 2008	Dividend per share 2009 (in EUR)	Dividend per share 2008 (in EUR)
240.1	221.9	416.7	419.0

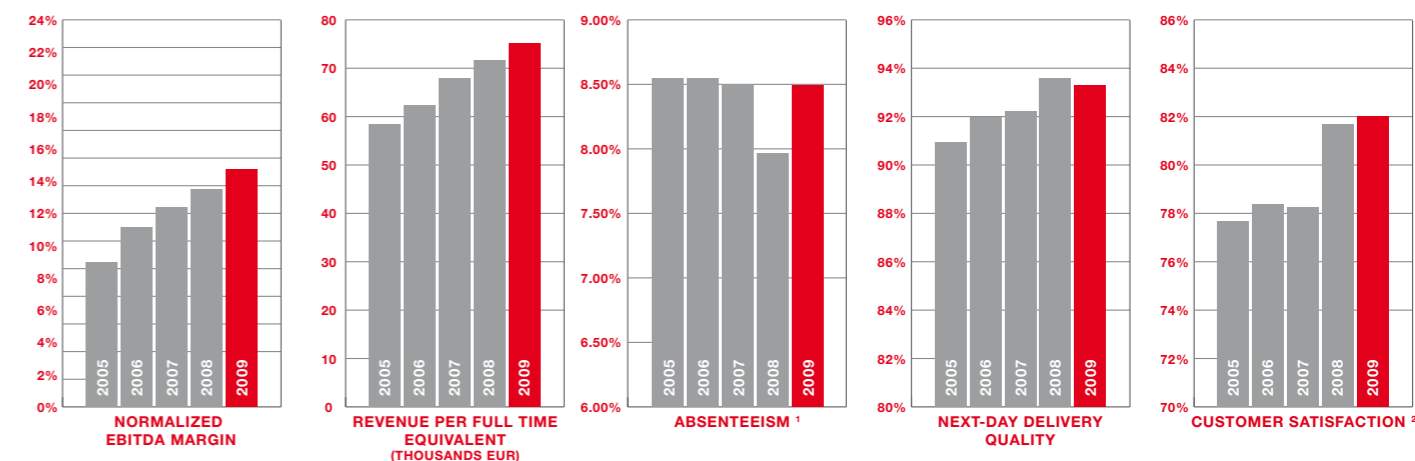
Normalized profit for the year 2009	Normalized profit for the year 2008	Number of employees 2009 (headcount at year end)	Number of employees 2008 (headcount at year end)
163.1	178.7	34,180	35,313

Operating free cash flow* 2009	Operating free cash flow* 2008	Number of FTE 2009 (at year end)	Number of FTE 2008 (at year end)
187.2	228.6	29,618	30,660

KEYS FIGURES (IN MILLION EUR)



PERFORMANCE 2005 - 2009



(1) Number of days during which no work is done, because of illness or occupational accident, despite this being provided for in the regulations or employment contract (number of working days of illness / number of anticipated working days).

(2) On a same methodology basis - Overall satisfaction about De Post-La Poste measured on a 7 points scale (% of satisfied customers who answered 5-6-7 to the question "In general, how satisfied are you about De Post-La Poste ?").

* Impact "Personal accounts of individuals" excluded

MESSAGE TO OUR STAKEHOLDERS



We are ready for the big appointment on 1 January 2011. We start on pole position to achieve the last stage for complete liberalization in our country. ”

DE POST-LA POSTE COMES OUT STRONGER OF CRISIS YEAR 2009

Martine Durez, Chairwoman of the Board of Directors
Johnny Thijs, CEO



De Post-La Poste did not escape the effects of the economic crisis in 2009. However, it was able to respond swiftly and energetically, taking the necessary measures to drastically reduce costs. This enabled the company to reap good results, continuing the upward trend of previous years. Better still, operating profit was higher than in 2008, which was a very favorable year. Martine Durez and Johnny Thijs review the good performance.

GOOD RESULTS

Martine Durez: We can indeed be satisfied. De Post-La Poste has experienced a fall in mail volumes of around 4%. That is a lot compared with previous years, which were characterized by an annual average fall of 1%, but it is lower than what other postal operators have recorded. Some have recorded a fall of 10%.

Despite the downward pressure on volumes accentuated by the crisis, the financial results improved through efforts to cut costs by an additional 35 million euros.

While revenue has fallen slightly, from 2,262 million euros in 2008 to 2,250 million euros in 2009 (1%), the growth curve for all other results has risen: EBITDA rose by 9.3%, from 313 million euros to 342 million euros, while EBIT rose 8.2%, from 222 million euros to 240 million euros.

These good operating results reflect the Group's financial recovery and are undeniably a consequence of the numerous change projects that have been coherently implemented these past years in all echelons of the company.

EBIT
240
million EUR
(+8.2%)

15.2%
Normalized
operating margin

GREATER EFFICIENCY THROUGH CHANGE

Johnny Thijs: In the course of the past seven years these changes have demanded considerable energy and a great capacity for adaptation on the part of our employees. Almost all jobs have been revised. I must admit this has often been extremely difficult for our staff on the ground.

But we are now reaping the rewards of these efforts. Our company's finances come out stronger of this crisis year. We are maintaining our quality at a good level, although we cannot afford to rest on our laurels in this respect, customer satisfaction continues to grow and the motivation of employees has risen again, despite the numerous changes.

I also feel that we are ready for the big appointment on 1 January 2011. We start on pole position to achieve the last stage for complete liberalization in our country. There is nevertheless still work to be done. I am particularly thinking about the reorganization of our delivery network and the completion of the overhaul of our points of sale network. These projects have been approved and are in the course of implementation. I would like to express my warm gratitude to all the employees as well as all those who have enabled these changes to be put into practice.

CONSTANT SOCIAL DIALOGUE

Martine Durez: Social dialogue has made a major contribution to De Post-La Poste's profitable development in the past few years. We never sufficiently dwell on the fact that the changes have always been implemented in a socially responsible way, without compulsory redundancies and on the basis of constructive dialogue between social partners.

The full importance of this dialogue was also proven in 2009. The desire to prioritize negotiation in the context of two complex issues – the renewal of the Collective Agreement for 2009-2010 and the reorganization of the delivery network (including the introduction of 'auxiliary mail carriers') – has permitted the conclusion of agreements meeting the key aspirations of the company and its staff.

A RESPONSIBLE AND CARING COMPANY

Johnny Thijs: Dialogue is part of our 'corporate responsibility policy'. We must act as a responsible company in all circumstances. We must be correct in our daily working relations with our employees, helpful to our clients and environmentally friendly. On this last point, serious progress has been made in 2009.

We have expressly undertaken to reduce our CO₂ emissions by 35% in the course of 2007-2012. Through our ambitious Green Post program we expect to reduce our energy consumption by 15% (2005-2012) and promote the responsible use of paper at our company and among our customers. Since the end of 2009, we no longer use anything but recycled paper or paper with the FSC label.

We have entered into a partnership with WWF-Belgium to help us achieve this program. Our customers can accordingly be confident that the handling of their letters and parcels has the lowest possible impact on the environment and that this will be further reduced in the future.

BASED ON A LONG-TERM STRATEGY

Martine Durez: The continual progress achieved by De Post-La Poste is based on the long-term strategy established by Management and the Board to guarantee the company's future. The Strategic Plan is constantly monitored and assessed. It serves as a point of reference and a compass for all parties and it has enabled the company to steer a steady course through and past any hardly foreseeable event.

In 2009, De Post-La Poste experienced a change of shareholder. Post Danmark sold its shares to CVC Capital Partners, which became the sole minority shareholder. However, this change had no repercussions for the Strategic Plan, which was confirmed by the shareholders. I would also like to take this opportunity to thank Post Danmark and its representatives on the Board for their constructive input over recent years.

“ De Post-La Poste

has become stronger and greener in 2009. ”

OUR 'MISSION': STRONG RESULTS AND TOTAL RELIABILITY

Johnny Thijs: Our strategy continues to be founded on the same principles: strong results and total reliability. We set out these principles clearly in our new mission statement, as presented to employees on 9 February 2010.

Obtaining 'strong results' means that we will do everything within our power to maintain our sales and turnover, despite structural falls in volumes that could be caused notably by electronic substitution. We will also do everything we can to continue to improve our operating results. Our goal is to take our place in the leading group of European postal operators.

Martine Durez: Everything depends on our core competences, our core business. We put all of our efforts into the essential competences of De Post-La Poste and will continue to focus on our core business. For us, the goal is and will continue to be to guarantee the delivery of letters and parcels, but also to propose specific banking and insurance services. Based on our fundamental activities, we can seek and develop new competences to guarantee the Group's sustainable and profitable growth.

The third keyword is 'reliability'. This is at the heart of our concerns. It must be total and unqualified. And yet, this will not be possible unless we constantly work to maintain the quality of our Mail and Parcels services, reduce waiting times at our points of sale and efficiently handle customer information requests and complaints. In these areas we can and must redouble our efforts to improve performance.

CUSTOMER FIRST

Johnny Thijs: When all is said and done, everything stands or falls on customer satisfaction. It will be essential once the market has been fully liberalized. We have made good progress in this area, but we still have much to do.

The percentage of 'satisfied' customers is now 82% (compared with 79% in 2007); 65% say they are 'very satisfied' (2007: 60%). We expect to drive this second figure up to 70% in 2010, ahead of the full liberalization of the postal market in our country and in the European Union.

READY FOR THE OPENING OF THE MARKET

Martine Durez: If this liberalization is to become a reality, its legal framework still needs to be established in Belgium, so that all the actors are aware of the rules of the market. This legal regulation must guarantee an effective level playing field for all actors on the market.

It is in these conditions that De Post-La Poste will be able to continue to fully play its role of responsible company in the social and environmental spheres. De Post-La Poste is ready to provide the universal service over the next few years and to maintain the public service tasks it has been entrusted with. We wish to preserve our community profile and earn the trust of the population.

Johnny Thijs: To conclude in a few words, I would say, with the Chairwoman, that De Post-La Poste has become stronger and greener in 2009. We have also refined our mission and our ambitions. Our goal is to play a leading role in a totally liberalized environment.

In doing so, we will enter the next decade by presenting ourselves as an attractive partner for our customers, our employees, our shareholders and all stakeholders.

-35%
reduction
CO₂ emissions
(2007-2012)

MISSION

WE WILL BE THE STRONGEST AND MOST TRUSTED POSTAL OPERATOR

WE WILL LEVERAGE OUR CORE COMPETENCIES AND DEVELOP NEW CAPABILITIES IN ORDER TO ACHIEVE SUSTAINABLE AND PROFITABLE GROWTH IN A CHANGING WORLD

WE WILL MAKE THE DIFFERENCE FOR OUR CUSTOMERS AND THE SOCIETY THANKS TO OUR PASSIONATE PEOPLE

VALUES

**EARNING TRUST
BEING CLOSE
MEETING AGREEMENTS
TAKING UP CHALLENGES
TAKING INITIATIVES
IN A TEAM
KEEPING IT SIMPLE**

DE POST-LA POSTE: AN INTEGRATED GROUP WITH A COHERENT OFFERING OF PRODUCTS AND SERVICES



DELTAMEDIA

carries out the daily delivery of around 150,000 newspapers.

MSI WORLDWIDE MAIL

based in Virginia, United States, markets solutions for the delivery of international mail and parcels in the United States and Canada.

EURO-SPRINTERS EXPRESS ROAD & COURIER NETWORK SYSTEM MG ROAD EXPRESS

Euro-Sprinters provides transport services in Belgium 24/7 for goods weighing up to 24 tonnes. Express Road & Courier Network System (both operating under the commercial name of Corpco) as well as MG Road Express market a parcel delivery service with major added value and express services.

SPEOS

markets management services for administrative and financial documents such as invoices, bank statements and wage slips. These services include physical and electronic management together with document handling and scanning, laser printing, envelope insertion, e-billing and electronic archiving.

EXBO

markets technological digital and hybrid mailroom solutions to manage inbound, outbound and internal document flows.

CERTIPOST

develops complete solutions for secure exchange and archiving of electronic documents. Certipost is also an accredited provider of digital certificates, which guarantee the identity of persons online and the authenticity of websites.

BANK VAN DE POST - BANQUE DE LA POSTE

a subsidiary jointly controlled by De Post-La Poste and BNP Paribas Fortis, markets reliable financial products and services to more than a million customers in Belgium.

HIGHLIGHTS 2009



OPENING OF THE 600TH POST POINT

De Post-La Poste opened its 600th Post Point on **17 March**. Post Points are outlets that offer basic postal services in local shops, supermarkets, stations and town halls. They are part of the multi-channel strategy developed over the past four years by De Post-La Poste and constitute an alternative to the post offices that have closed during the same period. The target is to have a full complement of 730 Post Points by the end of 2010.



DE POST-LA POSTE GOES GREEN

As a socially responsible company, De Post-La Poste is committed to minimizing the environmental impact of its activities. On **2 December** De Post-La Poste established a partnership with WWF-Belgium to reduce its CO₂ and greenhouse gas emissions by 35% by 2012. To achieve this ambitious goal, among other things it launched the Green Post program, which targets a radical reduction in energy consumption (-15% by 2012).

DE POST-LA POSTE HELPS FIGHT ILLITERACY

In **2009 and 2010** De Post-La Poste took the decision to give a percentage of the revenue from the sale of its Christmas stamps to the De Post-La Poste Literacy Fund, which is administered by the King Baudouin Foundation. Due to the success of the Christmas stamps campaign these past two years, the Fund has received almost 1,180,000 euros, which is spent on managing and supporting new literacy projects.



OPENING OF THE NEW BELGIAN POST INTERNATIONAL SORTING CENTER

On **23 April** De Post-La Poste opened its international sorting center at the Brucargo site in Zaventem. This building is the symbol of the growth and dynamism of De Post-La Poste's Belgian Post International division in the international letters and parcels segment. Since 2002 BPI has doubled its turnover and is now one of the top five operators worldwide in cross-border mail.

CHANGE IN SHAREHOLDING

On **25 June** the Belgian government gave De Post-La Poste minority shareholder CVC Capital Partners permission to buy the shares in the company held by Post Danmark. A consortium formed by Post Danmark and CVC Capital Partners took a stake of 50% minus one share in De Post-La Poste at the beginning of 2006. The rest of the shares remained in the hands of the Belgian State and the Belgian Federal Participation and Investment Company. This strategic partnership strengthened De Post-La Poste and helped prepare it for the full opening of the postal market in 2011.

EXPANSION OF PARCELS AND EXPRESS

On **30 June** De Post-La Poste acquired Express Road, Courier Network System and MG Road Express, companies specialized in parcel distribution and express services throughout Belgium. With these acquisitions De Post-La Poste complemented its specialized logistics offering and bolstered its growth opportunities in these two sectors. As a result, De Post-La Poste expanded the express service offering of its subsidiary Euro-Sprinters by extending its geographical coverage and enlarging its customer portfolio. It also augmented its Taxipost parcels operations by adding new high added-value services to its product portfolio.

GOVERNMENT DECISION ON THE LIBERALIZATION OF THE POSTAL MARKET

On **17 December** the Belgian government adopted the draft bill laying down the conditions for the liberalization of the postal market. This bill transposes the EU's third postal directive into Belgian law. It contains the precise rules applicable to all players on the market. The universal service remains unchanged and De Post-La Poste is designated as the universal service provider until 31 December 2018. Newcomers to the market will have to fulfill obligations with regard to territorial coverage and delivery frequency, and must use contractual employees for collection, sorting and delivery activities.

CONCLUSION OF A NEW COLLECTIVE LABOR AGREEMENT

On **16 July** the social partners of De Post-La Poste agreed the Collective Labor Agreement 2009-2010. This new deal is a balanced response to the expectations of employees in terms of purchasing power and the needs of the company in a tough economic and financial environment. Job security is expressly guaranteed for the full duration of the agreement. It also contains stipulations that strengthen purchasing power and end-of-career provisions for some employees.

NEW MAIL NETWORK STRUCTURE

On **17 December** De Post-La Poste management submitted a package of proposals to the social partners on the future structure of mail distribution. The purpose of this new structure is to enhance the competitiveness of De Post-La Poste and allow the company to face up to competitors in a fully liberalized postal market in 2011. These proposals especially provide for the introduction of an 'auxiliary mail carriers' pay scale for new mail delivery staff and the possibility for contractual employees to earn an open-ended employment contract based on this pay scale. The network of delivery offices, of which there are 500, will be gradually rationalized to create 128 logistics platforms over the next few years.

A STRONGER PRESENCE IN THE UNITED STATES

On **31 December** De Post-La Poste bought a majority stake in MSI Worldwide Mail, an American mail and parcels distribution company. This acquisition gives De Post-La Poste the opportunity to drive its future growth on foreign markets through its Belgian Post International business unit. BPI has built up considerable experience and know-how in recent years and this acquisition will allow De Post-La Poste to continue to expand its activities in the United States.

STRATEGY

PROFITABLE GROWTH

Protecting the core business: letters and parcels, and specific banking and insurance services

Operational performance

- Improved productivity
- New working methods
- Delivery quality

Controlling costs

Taking advantage of pockets of growth

- Domestic and international parcels
- Banking and insurance
- Direct mail
- Document management
- Hybrid and digital solutions

CUSTOMERS

Value for money

Customer satisfaction

- Delivery quality
- Total reliability
- Customer service
- Reduced waiting queues

Integrated solutions

- Major added value
- Coherent, integrated offering
- Digital solutions

Multichannel sales network

- Post offices
- Post Points
- eShop
- Call center

EMPLOYEES

Motivation

Satisfaction

Leadership

Customer orientation

Education and training

Social dialogue

A RESPONSIBLE COMPANY

Management contract

- Universal service
- Public service missions
- Social role

Environmental commitment

- -35% CO₂ emissions (2007-2012)
- -15% energy consumption (2005-2012)
- WWF-Belgium partnership

Diversity - equal opportunities

Social engagement

- Literacy Fund

“ Our priority is the satisfaction of our customers. We want to be the best and most trusted provider of postal solutions. ”



We defend our core business and are always looking for new opportunities, new niches for growth.”

OUR STRATEGIC GOALS

12

million letters and parcels handled and distributed every day

De Post-La Poste is a company whose core business is mail. Every day we handle and distribute more than 12 million letters and parcels. Although De Post-La Poste now generates a good proportion of its turnover in a competitive environment, this core business will be subjected head-on to the full opening of the postal market on 1 January 2011. To be able to further play its leading role in this new environment, De Post-La Poste has continued to evolve, for several years now, guided by the strategic goals it has set. In brief, these are:

- Defending our core business by offering customers value for money and complete, open solutions
- Taking advantage of pockets of growth in our core business
- Protecting and improve our profitability by constantly increasing our productivity and controlling our costs
- Ensuring we maintain a balance between economic continuity and the expectations Belgian society has of a public-owned company

DEFENDING OUR CORE BUSINESS

The delivery of letters and parcels is our core business. We regularly review the organization of the logistical activities that are related to this and of our procedures to ensure they are adapted to changes in volumes and mail flows, as well as taking into account the latest technological advancements in our sorting infrastructure.

In 2009, for example, we finalized the organization of mail sorting by mail round. The next step will be the gradual introduction of sequencing at our sorting centers. Mail will be sorted mechanically in the order of the mail round, based on street names and house numbers.

Efforts last year were mainly devoted to preparing a major project to overhaul the network structure and delivery methods. This project has two main areas of focus: the restructuring of the delivery offices and the introduction of an 'auxiliary mail carriers' pay scale for new mail delivery staff, together with the possibility for contractual employees to earn an open-ended employment contract according to this pay scale.

This new organization is expected to enable us to respond even more robustly to competition in a fully liberalized environment. It will be gradually implemented over the next few years, without any compulsory redundancies.

Bank van De Post-Banque de La Poste (BPO) continues to offer peace of mind to a large majority of the population in the field of banking and insurance with a range of straightforward products based on two sound values: simplicity and security.

TAKING ADVANTAGE OF POCKETS OF GROWTH

In the face of growing competition and increasing pressure on mail volumes, we are always looking for new opportunities – new niches for growth – to complement our range of products and services and improve their fit with the needs of our customers.



On the international stage, this strategy was put into practice with the acquisition of a majority holding in the outstanding shares of MSI Worldwide Mail, an American company specialized in mail and parcels distribution. Through our business unit Belgian Post International (BPI) we have taken a stake in MSI with the aim of ensuring the expansion of our international activities, especially in the United States.

In Belgium, the acquisition of Express Road, Courier Network System and MG Road Express, companies specialized in parcel distribution and express services, is also an expression of this strategy. With these acquisitions we have complemented our specialized logistics offering and bolstered our growth opportunities in both sectors.

Besides the parcels market, De Post-La Poste also expects to play a major role on other growth markets, such as unaddressed direct mail.

Likewise, many companies are looking for added-value integrated document management solutions. De Post-La Poste mainly meets this need through its eXbo, Speos and Certipost subsidiaries.

PROTECTING AND GROWING OUR PROFITABILITY

At the turn of the millennium De Post-La Poste faced a difficult situation characterized among other things by alarming financial deficits in 2002 and 2003. Since then, De Post-La Poste has initiated a huge program

of change with the aim of improving service quality, operational efficiency, productivity, customer satisfaction and our financial well-being.

Several key indicators show the positive results of change and modernization projects implemented in all echelons of the company. EBIT rose from 81.7 to 240 million euros between 2005 and 2009, while the normalized operating margin rose from 8.7% to 15.2%. Between 2003 and 2009, revenue per full-time equivalent rose from 48.7 thousand euros to 75 thousand euros. In that time, next-day delivery quality rose from 85.1% to 93.2% and customer satisfaction continually improved, from 78% to 82% (satisfied and very satisfied customers).

De Post-La Poste is now prepared for 2011 and doing business in a fully competitive environment. Our ambition is to pursue the path paved by our strategic goals and to achieve the company's new mission, as set out by Johnny Thijs in the opening words of this report.

ECONOMIC CONTINUITY AND SOCIAL ROLE

The company's financial well-being and operational sustainability is a necessary condition of the maintenance of our social role, especially the provision of the universal service, in Belgian society. We continue to invest efforts to ensure that De Post-La Poste is able to rise to this double challenge in the future.

2011

De Post-La Poste is prepared to do business in a fully competitive environment

“ We must constantly rethink how we interact with our customers by offering them value-for-money products and services and a choice of sales channels that suit them best. ”

OUR CUSTOMERS

SOLUTIONS FOR OUR KEY CUSTOMERS

We are enjoying a return on the efforts we have invested over many years and it is no surprise we are gaining market share in already competitive environments, thanks to a clear improvement in our delivery quality among other things. In Direct Mail, for example, where we have gained market share despite an overall fall in demand for this type of product.

De Post-La Poste plays an increasingly weighty role in unaddressed direct mail, developing products that meet the needs of advertisers. One of them is New Distripost, a product first brought to market in 2008 and that gained ground in the course of last year. This success is proof that, on a highly competitive market, quality at all points in the process and commercial efficiency are key.

In parcels, De Post-La Poste has suffered from the effects of the economic crisis, as volumes for this type of product have shrunk compared with previous years. In spite of that, Taxipost has performed well and has improved its profitability. One of the explanations is the quality of the services offered, characterized by track and trace, and next-day delivery quality of over 96%, which put us among the best postal operators in Europe.

The acquisitions of Express Road, Courier Network System and MG Road Express strengthen our express service offering through our Euro-Sprinters

subsidiary by enhancing its geographical coverage and enlarging its customer portfolio. We have also augmented our Taxipost parcels operations by adding new high added-value services to the product portfolio.

In secure email, an expanding market, our Certipost subsidiary confirmed its good results of 2008. It achieved growth of almost 20% and now provides high-quality secure electronic document exchange (sending and receiving) to more than 60,000 businesses and 500,000 residential customers.

To meet the specific needs of customers better, a new service – the e-certificate – was brought to market in 2009. This enables businesses to send statements – such as their VAT declaration – to various administrations by secure email.

In terms of added value services, electronic mail is a domain with promising growth opportunities for De Post-La Poste.

Through our eXbo subsidiary, we have brought a new service to market – digital delivery – whereby inbound paper documents are digitized for businesses that receive a large quantity of mail.

The SEPA Service Center is another example of an added-value service developed by De Post-La Poste and its eXbo and Certipost subsidiaries. It enables businesses to efficiently manage their customers' direct debits in accordance with the new European SEPA standards.

Other solutions, such as home pick-up and Servipost products, have also experienced increasing success down the years.

Lastly, with regard to our international offering, Belgian Post International (BPI) has experienced a turbulent year following the economic crisis. BPI has nevertheless been able to limit the effects of this crisis somewhat by properly controlling costs and continuing to market high-quality services. The acquisition of MSI Worldwide Mail is a new opportunity for BPI to bolster its future growth on foreign markets, especially the United States.

DIVERSIFYING ACCESS CHANNELS FOR OUR RESIDENTIAL AND SME CUSTOMERS

We have developed various access channels for De Post-La Poste products and services since 2005. In doing so, we have had three clear goals: modernizing the post office network and facilitating access to basic postal products and services, improving customer satisfaction, and moving towards the financial equilibrium of the network.

The age in which post offices were the only place you could buy postage stamps, send parcels and collect a registered letter is over. Depending on their needs and lifestyle, De Post-La Poste customers now have various points of access: post offices, mainly for banking and financial products, Post Points for basic postal products, stores for postage stamps, the eShop and the call center.

POST OFFICES: THE COMPLETE RANGE

Five years ago we rethought the structure of our points of sale network as our 1,300 post offices were running at a structural loss and were liable to weaken the company from the perspective of the full liberalization of the postal market.

In concrete terms, the points of sale network is being transformed by closing post offices and replacing them with Post Points. At the end of 2009 we had 1,400 points of sale, which is 100 more than we had when we started restructuring our network.

At the same time, we continue to invest in the post offices we intend to keep, so as to improve customer safety, convenience and reception. The post offices have gradually been equipped with open counters and a secure management system based on the low-cash branch concept, which is geared to providing services with a minimum of cash at the counters. In 2009, a further 36 offices were refitted, bringing the total up to 150.

During the past year we continued to fit our post offices with ATMs that take all Belgian bank cards and bank statement printers. These machines are expected to help cut waiting times at post offices.

Down the years, revenues from postal products have fallen, which makes it important to find other sources of revenue. One way of compensating for this and driving some growth is the development of simple and trustworthy financial products, especially in this time of deep-rooted financial crisis.

BPO experienced a very positive 2009, based on two sound values: simplicity and security. By the end of the year, almost 60,000 new accounts had been opened, which was even more than we had hoped for.

1,400
points of sale

More than
60,000
business customers
for Certipost

Over
96%
of parcels
are delivered
the next day



**POST POINTS,
FOR BASIC POSTAL PRODUCTS**

Post Points are partnerships with third parties that sell basic postal products. Over 95% of all mail-related transactions offered by post offices are available to our customers at Post Points. At the end of 2009 the network comprised 685 Post Points, which was 164 more than the year before. The target is 730 Post Points by the end of 2010.

Since the first Post Point opened in 2005, this sales channel has generated more than 11 million contacts, 5.7 million of them in 2009 alone. Their great advantage is improved accessibility due to longer opening times than are possible in post offices.

Combined with the opening of some post offices on Saturday mornings and one evening per week, the development of the Post Point channel has helped increase network-wide opening hours by 20% in recent years.

It is no surprise, then, that 87% of De Post-La Poste customers were 'satisfied' or 'very satisfied' with the services available at Post Points at the end of 2009.

eSHOP, ONLINE ACCESS

eShop, De Post-La Poste's online outlet, experienced a 32% rise in orders and a 33% rise in turnover in 2009 alone. This is confirmation that this access channel for our products and services is both convenient and appreciated by a growing proportion of our customers.

**CALL CENTER, OUR CUSTOMER
INFORMATION LINE**

Our single-number call center (022 012345) launched in 2005 is now staffed by almost 400 agents, answering requests for information from our customers.

Since October 2009, all customer phone calls to our post offices are redirected to our call center. This ensures that all requests for information and complaints are handled professionally and consistently. It also means that our post office workers can focus on the customers at the counters.

This centralization of calls is also expected to reduce waiting times at post offices, which is the number one source of dissatisfaction among customers.

In 2009 our call center fielded 1.5 million calls, 80% of which were requests for information and 20% complaints. Work still needs to be done throughout our organization to reduce the percentage of dissatisfied customers who contact us in this way.

**FURTHER IMPROVING
THE SATISFACTION OF
OUR CUSTOMERS**

Between 2003 and 2009 the percentage of customers satisfied with De Post-La Poste's services rose from 78% to 82%. While this represents a continual, positive increase, some points still require very special attention. These differ depending on whether it concerns corporate or residential customers.

Our corporate customers – especially the key accounts – demand efforts in various areas that affect our core business, mail. This concerns improvements with regard to mass mail deposits (MassPost), improved readability of our invoices, management of contracts for such products as Taxipost and Distri-post or handling of complaints, especially the time we take to respond to them.

For residential customers, our main concern is ensuring optimal accessibility of our products and services through various sales channels. To help us find solutions, we regularly use mystery shoppers. In 2009 several thousand visits were logged to various post offices and Post Points. The results show that work still needs to be done when it comes to the welcome and professionalism of our employees as well as how the post office functions, particularly reducing waiting times.

The problem of queues remains an important one within the framework of achieving maximum customer satisfaction. While customer perceptions do not always correspond to reality, they do have a decisive impact on customer satisfaction.

On the ground, important advancements were made in 2009. The percentage of customers served within five minutes was 77.3%, which was a 1.5% increase on the 2008 figure. In the last two quarters of 2009 we were able to serve more than 80% of our customers within five minutes on several occasions. 80% is our target, so we are very close. But to maintain that percentage in the long run, some particular cases,



“ Customer satisfaction is vital. We must be totally reliable. ”

such as the post offices in large cities, demand a special approach.

A special project has been launched to help the large post offices in Brussels improve their waiting times. The goal is to roll out the initiative to offices in other regions that are finding it tough to achieve that target.

**WE MUST BE TOTALLY
RELIABLE**

In a fully liberalized environment, customer satisfaction is vital. Our reliability is therefore at the heart of our concerns. Over the next few months and years we must continue to focus our efforts on improving our quality in mail and parcels, handling customer complaints more efficiently and reducing waiting times at the various points of sale (post offices and Post Points).

Almost
80%
of our customers are
served within
5 minutes

5.7
million contacts in
Post Points in 2009

+32%
orders via eShop
in 2009



Employee motivation and satisfaction, leadership and service are three vital aspects if change is to be successfully implemented at De Post-La Poste.”



OUR PEOPLE

The challenge facing De Post-La Poste with regard to liberalization and operating in a competitive environment is such that a sea change is needed in the organization in terms of cost efficiency, leadership, empowerment and focus on results.

HR AS TRUSTWORTHY AND ENDURING PARTNER OF THE BUSINESS

To provide the organization with optimal support to achieve this, HR is developing into a streamlined, internal service provider able to support the business in a pragmatic way, based on simple processes, with a great deal of attention for internal customer satisfaction and the motivation of every individual member of staff.

A number of important steps in that direction were taken in 2009.

For example, the HR operational model was revised with the development of a Shared Service Center, the Center of Expertise and a major strategic, future-oriented role for the HR business partners:

- The Shared Service Center provides most administrative HR services to the various departments at De Post-La Poste and helps to optimize the HR organization through the standardized way of working, costs savings and quality improvements.
- The Centers of Expertise operate as specialized internal HR consultants for all departments, analyze the needs and develop personalized service solutions that support the strategy of De Post-La Poste.
- The HR business partners work directly with the line managers and senior management to translate the business unit's strategy into concrete HR goals and solutions. They also have final responsibility for all HR actions within the unit in question and ensure these are always geared to its needs.

By implementing this vision HR will be an enduring and reliable partner of the business. For example, this year the first service level agreement will be concluded with the business in which HR undertakes to put its business plans into practice in a professional and result-oriented way.

Ultimately, all these steps will result in greater motivation among employees, stronger leadership from management and cost-efficient service to customers.

TO MEASURE IS TO KNOW

Employee motivation and satisfaction, leadership and service are three vital aspects if change is to be successfully implemented at De Post-La Poste. With this in mind, all three are monitored and measured.

First and foremost, employee motivation and satisfaction are monitored in an annual survey. 81% of all employees completed this survey in 2009. The participation rate was a huge 12% higher than in 2008. Mass participation enables motivation to be specifically monitored in each team and action plans to be drawn up to improve motivation and satisfaction in the workplace.

Active investments are also made in leadership, at all levels, from the first line to senior management. For example, HR invests more than 10,000 man-days in behavior-related training in the Mail unit as a result of the new network structure.

The quality of HR's service to its customers is also monitored constantly and measured every six months. In the survey of 450 customers, the average score rose from 4.1 in January 2009 to 4.9 in January 2010, while the number of satisfied internal customers tripled in the same period!

These were all important advancements, but De Post-La Poste must continue to assume its responsibilities in the future. The foundations have been laid for this in the new collective agreement.

TWO SOCIAL ISSUES

Since the liberalization was first mooted in 2003, De Post-La Poste has always managed to find a solution for the employees affected by the change, without the need for compulsory redundancies.

The new collective agreement concluded for 2009-2010 is suffused with the same spirit, in spite of the tough economic and financial context. It includes a balanced solution that meets both the expectation of improved spending power and the needs of the organization. A retirement arrangement was also elaborated for a number of employees.

The highlight in the negotiations with the social partners came at the end of 2009, however, when the proposal on the introduction of a pay scale for 'auxiliary mail carriers' was approved. When implemented in 2010, this will give contractual employees the opportunity to earn an open-ended employment contract. It also represents another important advancement for De Post-La Poste in the preparations for a competitive liberalized market in 2011.

81%

of all employees completed a survey on motivation and satisfaction

End of **2009** agreement on "auxiliary mail carriers"

A SOCIALLY RESPONSIBLE COMPANY

“ The challenge for De Post-La Poste in the years to come is maintaining a balance between its economic continuity on a competitive market and Belgian society’s expectations of a public company. ”

De Post-La Poste is a company firmly anchored in Belgian society. With this in mind and also given our status as a public company, we must show a strong commitment to corporate responsibility when doing business.

As a consequence, for several years at De Post-La Poste we have worked on a daily basis to safeguard our social mission, promote equal opportunities and the well being of our employees within the company, contribute to greater protection of the environment and support social projects.

SAFEGUARDING OUR SOCIAL MISSION

De Post-La Poste is the universal service provider in Belgium. Every day we serve almost 4.5 million households and as many letter boxes. By the very nature of our activities, we have an important social mission. We guarantee to every citizen, without distinction, the delivery of mail through the territory five days per week.

Alongside the universal service, De Post-La Poste also has a host of public service tasks, such as the monthly home delivery of pensions and social allowances (130,000 on average in 2009) and the delivery of daily newspapers before 7.30 am during the week and 10.00 am on Saturdays, even in the remotest parts of the territory.

Our postmen also perform a social service – ‘SVP *facteur*’ (Please ring, Mr. Postman) – specially for persons with reduced mobility who find it difficult to get along to a post office, Post Point or red post box.

On 1 January 2011 the postal market will be fully liberalized, which will open it up to competition. Newcomers on the market will have to fulfill obligations with regard to territorial coverage and delivery frequency, and must use contractual employees for collection, sorting and delivery activities, but De Post-La Poste will be the only postal operator required to provide the universal service and must therefore bear the costs of this service alone.

In this context, the continuation of the social mission of De Post-La Poste will depend on its capacity to maintain a healthy financial and economic structure. The purpose of all the changes implemented in our organization in these past years is to help to achieve that. We do however ensure that this always happens in a socially responsible way and with due observance of the management contract concluded with the Belgian state.

PROMOTING EQUAL OPPORTUNITIES

In terms of workforce, De Post-La Poste is a company of very conspicuous diversity, whether it concerns culture, language, age, origin or gender. Guaranteeing equal opportunities and fighting discrimination is a daily challenge.

For example, we work hard to increase the percentage of women working at De Post-La Poste, especially among managerial staff.

In 2009 this percentage was 34% and rising. Campaigns have been launched to strengthen the percentage of women managers, especially senior executives.



Every year De Post-La Poste devotes 2.5% of its wage bill to employee training. Among other things, training is an important way of guaranteeing employability, especially among more mature employees. With this in mind, in 2009 special attention was given to training opportunities for employees aged 50 or over.

COMMITTED TO THE ENVIRONMENT

De Post-La Poste is a large company. We own more than 1,000 buildings; 6,400 vans and trucks and more than 4,000 mopeds crisscross our country every day.

But De Post-La Poste is also all about paper. Every year we handle more than 3.5 billion letters and parcels. Without paper, there would be no mail. And without mail, there would be no De Post-La Poste.

In 2009 we developed a program to build a greener, more ecological De Post-La Poste. Green Post covers all aspects of energy and environment at the company (reducing energy consumption and CO₂ emissions, sustainable paper use, rational waste management, sustainable water consumption) as well as the development of ‘green’ products and solutions for our customers.

2.5%
of wage bill devoted
to employee training

EVERY DAY

We serve almost 4.5 million letter boxes

3 years
Partnership with
WWF-Belgium

With this raft of measures, we want to assure our customers that we handle their letters and parcels in environmentally responsible conditions, producing the smallest possible ecological footprint.

REDUCING OUR GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions have by far the greatest impact on the environment of all De Post-La Poste's activities. Road transport is the backbone of our mail collection and delivery network and we need an extensive stock of buildings to perform our primary mission in the country.

De Post-La Poste has developed an ambitious action plan to reduce its CO₂ emissions by 35% in 2007-2012 and its energy consumption by 15% in 2005-2012. This is markedly higher than our earlier commitments.

Various measures have been implemented over the past two years. Since 2008 we have bought only green electricity. We have also fitted our Ghent X sorting centre with solar panels. They provide 12% of the centre's electricity needs, which is the equivalent of the average consumption of 120 households. Over the next few months, other sites – including post offices – will also be fitted with this equipment.

100%
of our postage
stamps will be
printed on FSC
paper as from 2010

Our sorting centers were awarded ISO 14001 certification at the end of 2009. This recognition means that the annual volume of letters and parcels is handled in environmentally responsible conditions. The ISO certification process is not complete yet, however. We are committed to taking all necessary steps to ensure that other sites – Stamps Production Mechelen, De Post-La Poste head office in the heart of Brussels and the Belgian Post International site in Zaventem – are all recognized for their environmental efforts.

We have also conducted an energy audit of the hundred buildings that consume most energy and emit most CO₂. In 2009 more than 75 buildings underwent remediation work.

In terms of our fleet, we systematically analyze all the possibilities of introducing vehicles that consume as little fuel as possible. For example, we will trial the use of electric bicycles as an alternative to mopeds. We will conduct a pilot study with 200 electric bicycles at the beginning of 2010.

We also train our van drivers to drive ecologically, which allows us to save 5-7% on fuel. Around 2,300 employees have already taken the course, which is 40% of all relevant staff.

PROMOTING RATIONAL PAPER USE

Paper is an ecological medium of information as long as it is used and recycled in a responsible, rational and environmentally sound way. De Post-La Poste wishes to be a model in this domain. Since the end of 2009, 100% of the paper we use for our own needs is recycled or comes from responsibly managed forests (bearing the FSC label, for example). In 2008 this percentage was still 68%.

Around 95% of postage stamps are now printed on FSC paper. That percentage will rise to 100% in 2010. In this domain, De Post-La Poste is the leading postal operator in Europe.

PARTNERSHIP WITH WWF-BELGIUM

To help us achieve our targets we have signed an agreement with WWF-Belgium establishing a three-year partnership. We expect to draw on the WWF's vast experience and know-how to help us to achieve our goals and develop our new initiatives, as well as raising awareness among our employees and customers.

SOCIAL ENGAGEMENT

SUPPORTING LITERACY PROJECTS

Every year De Post-La Poste supports the De Post-La Poste Literacy Fund, which helps to fight illiteracy in Belgium. It is administered by the King Baudouin Foundation.

In 2009 and 2010 De Post-La Poste took the decision to donate a percentage of the revenue from the sale of its Christmas stamps. Due to the success of the Christmas stamps campaign those two years, the Fund received almost 1,180,000 euros, which is spent on managing and supporting new literacy projects. Since its establishment in 1997, the Fund has given financial assistance to around a hundred projects.

SUPPORTING EMPLOYEE INITIATIVES

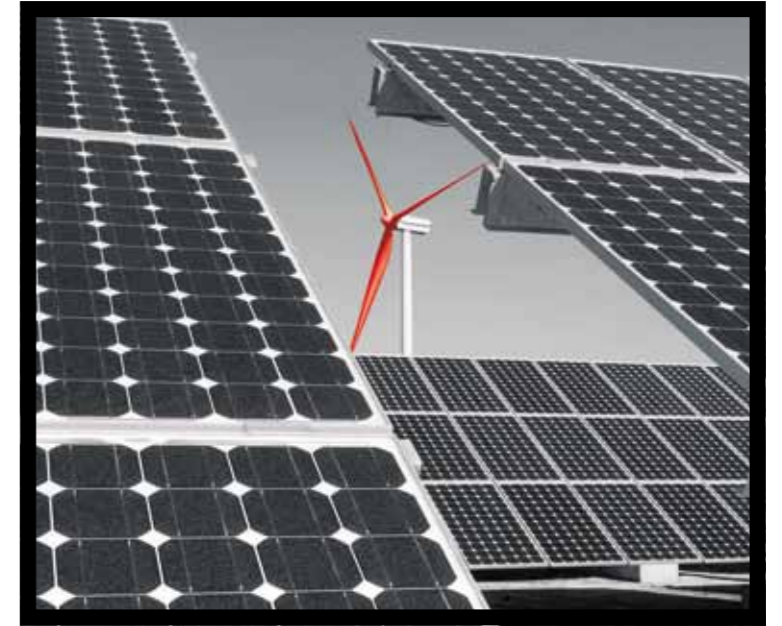
De Post-La Poste has adopted the policy of encouraging its employees who actively and voluntarily participate in a specific social, societal, cultural or ecological project.

We established the STAR4U fund, which will provide financial support in 2010 and beyond, to projects directly contributing to the creation and development of social, societal, cultural or environmental value in Belgium or elsewhere through concrete campaigns in the general public interest.

RESPECT FOR FUNDAMENTAL RIGHTS AND FREEDOMS

Every year De Post-La Poste places orders worth more than 500 million euros with around 6,500 suppliers and providers in Belgium and abroad. We use or transform their products and services to form our customer offering. It is our desire to ensure these products and services are produced with due observance of the fundamental rights and freedoms of employees, in an environmentally sound way and in accordance with ethical principles.

With this in mind, the general purchasing conditions applicable to contracts entered into with our suppliers and providers contain a special clause in which they must confirm that they are in compliance with all legal stipulations with regard to environmental protection, that they guarantee the rights and freedoms of their employees with regard to working conditions, child labor, pay, health and safety, and that the commercial relationship with De Post-La Poste will be conducted in full compliance of the strictest ethical standards.

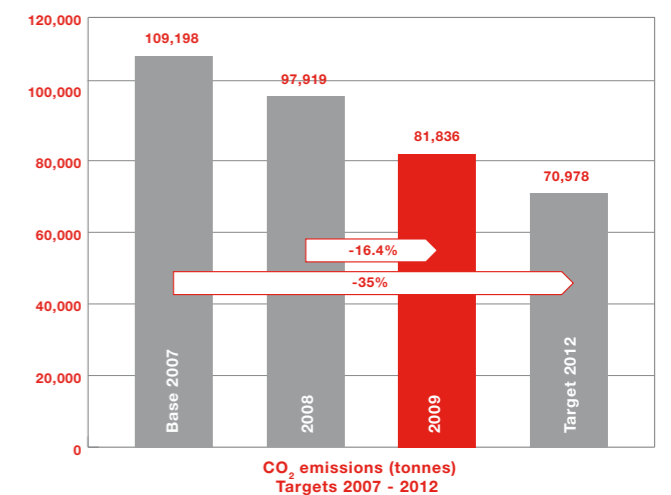
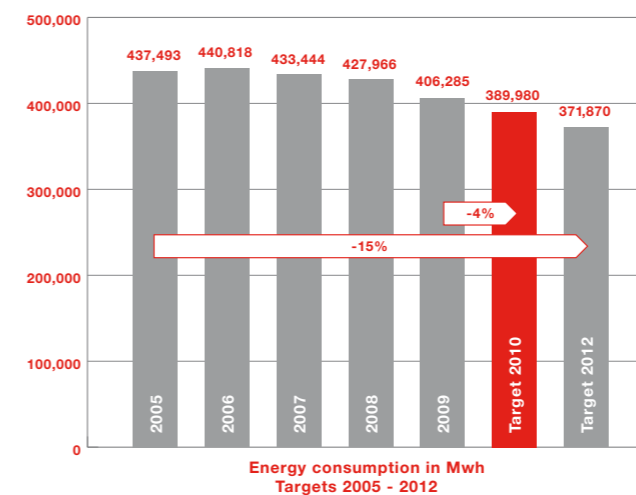


CODE OF CONDUCT

At the beginning of 2007 De Post-La Poste approved a code of conduct that all employees of the group must be acquainted and comply with. It stresses respect for others, (behavior in the work place, health and safety), integrity (gifts, use of company property, conflicts of interests), quality, communication and social participation.

While they are based on all De Post-La Poste values, the standards and rules of conduct in this Code specifically convey its "earn trust" value. Their purpose is to put this into practice in all daily activities of De Post-La Poste.

-15%
energy consumption
(2005 - 2012)



JOURNEY OF A LETTER AND A PACKAGE



CORPORATE GOVERNANCE

GENERAL

As a limited liability company under public law, De Post-La Poste is governed first and foremost by the Law of 21 March 1991 on the reform of certain economic public companies (the "Law of 1991"). For all matters not specifically covered by the 1991 Law, De Post-La Poste is governed by the Belgian Companies Code.

As an unlisted company, De Post-La Poste is not subject to the Belgian Code on Corporate Governance of 12 March 2009. Nonetheless, De Post-La Poste does wish to commit to observing the philosophy of good governance, integrity and transparent decision making, by adhering to the Corporate Governance principles laid down in this Code and the OECD's Guidelines on Corporate Governance of State-owned Enterprises. Some of these principles and guidelines have already been implemented in the Charter of the Board of Directors and the advisory committees (see "Charter of the Board of Directors and the Committees" below for more information).

The main characteristics of De Post-La Poste's governance model are the following:

- a Board of Directors that defines the general policy and strategy of De Post-La Poste and supervises the operational management;
- a Strategic Committee, an Audit Committee and a Remuneration and Nomination Committee created within the Board to assist and make recommendations to the Board;
- a CEO who is responsible for the operational

management and to whom the Board of Directors has delegated powers of day-to-day management;

- a Management Committee that, in addition to exercising the powers entrusted to it by the 1991 Law, assists the CEO in the exercise of his duties;
- a clear division of responsibilities between the Chairperson of the Board of Directors and the CEO.

BOARD OF DIRECTORS COMPOSITION

The Board of Directors is composed of:

- Five directors, including the Chairperson of the board of directors, (the category A directors) appointed by the Belgian State by Royal Decree deliberated by the Council of Ministers;
- Four directors (the category B directors) appointed by the other shareholders (i.e. all shareholders except the public authorities); and
- The CEO, who belongs to neither of the aforementioned categories, but is appointed by the Belgian State via Royal Decree deliberated by the Council of Ministers.

Martine Durez has been Chairperson of the Board of Directors since 17 January 2006. Besides the Chairperson, the Board is currently composed of the following members:

BOARD OF DIRECTORS

- | | | |
|--------------------------------|--|---|
| 1. Luc Lallemand | 4. Bjarne Wind | 8. Johnny Thijs (Chief Executive Officer) |
| 2. Jean-François Robe | 5. Wim Coumans (Government Commissioner) | 9. Geert Duyck |
| 3. Søren Vestergaard - Poulsen | 6. Martine Durez (Chairwoman) | 10. K.B. Pedersen |
| | 7. Christian Leysen | 11. Arthur Goethals |



- Arthur Goethals (A)
- Luc Lallemand (A)
- Christian Leysen (A)
- Jean-François Robe (A)
- Geert Duyck (B)
- K.B. Pedersen (B)*
- Søren Vestergaard - Poulsen (B)
- Bjarne Wind (B)
- Johnny Thijs (Chief Executive Officer)

* K.B. Pedersen has replaced Helge Israelsen as Board member as of 28 August 2009.

POWERS AND FUNCTIONING

With the exception of the actions reserved to other bodies, the Board has the authority to take all necessary and useful actions to realize the corporate purpose of the company. The Board has adopted charters that organize the functioning of the Board and the advisory Committees. These charters are aimed at enforcing and clarifying the rules of good governance and thus increasing the transparency in the decision making process.

The Board is convened by the Chairperson or the CEO, whenever the interest of the company requires it or upon request of at least two directors. In 2009, the Board met 9 times.

The Board can deliberate only if at least half of the members are present or represented. In principle, the decisions of the Board are taken by absolute majority. However, with respect to a number of specific matters (listed in article 27 §2 of the Bylaws), the Board can only decide if at least two directors of each category are present or represented, and decision on such matters can only be adopted with the majority of 75 per cent of the votes cast.

In addition, pursuant to the Law of 1991, the following decisions require a two-thirds majority:

- the approval of all renewals or amendments to the Management Contract;
- the acquisition of participations in companies, associations and institutions that exceed one of the thresholds laid down in Article 13, §2, paragraph one, of the 1991 Law.

In the event of a tie the Chairperson's vote prevails.

The CEO presents an activity report on the company's day-to-day management and reports on the financial situation at every meeting. The follow-up of decisions taken at previous meetings is also discussed at every meeting.

CHARTER OF THE BOARD OF DIRECTORS AND THE COMMITTEES

The Board has adopted charters to clarify the rules of good governance and transparency and implement these at all levels. These charters contain rules with respect to:

- The duties of the Board of Directors and the Committees on the one hand and of the Management Committee and the CEO on the other;
- The responsibilities of the Chairperson and the Corporate Secretary;
- The periodic reporting to the members of the Board on the progress and the implementation of the Business Plan and other important developments regarding the Company's activities;
- Requirements with which the members of the Board of Directors need to comply in order to ensure that they have the adequate experience, expertise and competences to fulfill their duties and responsibilities;
- A system of disclosure regarding mandates held and rules aimed at avoiding conflicts of interests and providing guidance on how to inform the Board in a transparent way in case such conflicts occur. The Board may decide to exclude the member who has a conflict of interest from the deliberations and vote on that subject.

The Board continuously evaluates and improves its functioning in order to steer the company ever better and more efficiently.

COMMITTEES CREATED BY THE BOARD OF DIRECTORS

The Board of Directors has established three Committees, which are responsible for assisting the Board of Directors and making recommendations in specific fields: the Strategic Committee, the Audit Committee, and the Remuneration and Nomination Committee.

STRATEGIC COMMITTEE

The Strategic Committee is responsible for assisting the Board of Directors in defining the group's strategy. Among other things, it makes recommendations on the strategic orientations of the company, the business plan, and acquisition and partnership opportunities. The Strategic Committee is chaired by the CEO and is further composed of two directors of each category. It met 4 times in 2009.

AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board of Directors in accounting, audit and internal control matters. Among other things, it makes recommendations on the accounting policy, the examination of the accounts, the control of the budget, the examination of the reliability of financial information, and the organization and monitoring of the system of internal checks and balances.

In addition to reviewing audit reports, the Committee monitors the work and the activities of the internal Audit Department. The Director of the internal Audit Department is accountable to the Chairperson of the Audit Committee and reports administratively to the CEO. The Audit Committee is composed of two directors of each category and is chaired by a director of category B. It met 6 times in 2009.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee is responsible for making recommendations concerning management appointments and remuneration. Among other things, it makes recommendations on the appointment of the CEO and the remuneration of members of the Management Committee, and any share schemes that could be adopted for executive management and staff. The Committee is chaired by the Chairperson of the Board of Directors and is further composed of one director of category A and two directors of category B. It met 5 times in 2009.

COMPOSITION OF THE COMMITTEES

Strategic Committee

- Johnny Thijs (Chairperson)
- Luc Lallemand
- K.B. Pedersen*
- Christian Leysen
- Bjarne Wind

Audit Committee

- Bjarne Wind (Chairperson)
- Geert Duyck
- Arthur Goethals
- Jean-François Robe

Remuneration and Nomination Committee

- Martine Durez (Chairperson)
- Arthur Goethals
- Geert Duyck
- Bjarne Wind*

* Helge Israelsen was replaced by K.B. Pedersen as member of the Strategic Committee and by Bjarne Wind as member of the Remuneration and Nomination Committee as of 28 August 2009

REMUNERATION OF THE DIRECTORS

The remuneration of the members of the Board of Directors was decided by the General Meeting of Shareholders of 25 January 2000. In 2009 the gross annual remuneration was equal to:

- 35,926.48 euros for the Chairperson, who also chairs the Joint Industrial Committee (Paritair Comité / Commission Paritaire) of De Post-La Poste (in 2009 this Joint Committee met 15 times);
- 17,963.20 euros for the other directors, with the exception of the CEO.

The members of the Board (with the exception of the CEO) are entitled to an attendance fee of 1,503.75 euros per attended meeting of one of the advisory Committees established by the Board. No additional attendance fees or remunerations are foreseen for the attendance of the meetings of the Joint Industrial Committee by the Chairperson of the Board.

Mesrs. Soren Vestergaard - Poulsen and Geert Duyck have waived the attendance fees and other remunerations linked to their position as a Board Member.

CHIEF EXECUTIVE OFFICER (CEO) AND THE MANAGEMENT COMMITTEE

After deliberation by the Council of Ministers, the CEO is appointed by Royal Decree for a renewable term of six years. If the Chairperson of the Board of Directors is Dutch-speaking, the CEO must be French-speaking and vice-versa. By Royal Decree of 26 February 2008, the mandate of the current CEO, Johnny Thijs, was prolonged for a new term of six years, effective as of 7 January 2008, upon proposal of the Board and recommendation of the Remuneration Committee.

The CEO is responsible for the operational management of the company. He has powers of day-to-day management that are delegated to him by the Board of Directors and he represents the company within the framework of the day-to-day management and the other powers delegated to him. This representation includes the exercise of the voting rights attached to shares and interests owned by the company.

The CEO is assisted in the management of the company by a Management Committee. The Management Committee also has the statutory powers to negotiate all renewals and amendments to the Management Contract concluded between the State and the Company. Powers at operational level are delegated by the CEO to members of the Management Committee or any other employees of the company.

The Management Committee is currently composed as follows:

- Johnny Thijs: CEO
- Baudouin Meunier: Director Enterprise, Group Marketing & Regulatory
- Mark Michiels: Director Human Resources and Organisation
- Koen Van Gerven: Director Residential, SOHO's & Small Enterprises and ICT
- Pierre Winand: Chief Financial Officer (Finance & Accounting) and Purchasing & Supply Chain

The persons listed below have been granted certain operational responsibilities and are added to the Management Committee:

- Kurt Pierloot: Director Mail & Parcels Operations and Facility Management and Cleaning
- Peter Somers: Director International

MANAGEMENT COMMITTEE

1. Kurt Pierloot *
2. Mark Michiels

3. Baudouin Meunier
4. Johnny Thijs (Chief Executive Officer)
5. Koen Van Gerven

6. Pierre Winand
7. Peter Somers *
* added to the Management Committee



They are invited to participate in all meetings of the Management Committee to discuss issues relating to the management of the Company or matters that fall within the scope of their responsibilities.

For the year ending 31 December 2009, a remuneration of 1.0 million euros (2008: 0.9 million euros) was paid to the CEO. No share options under the Employee Stock Option Plan were awarded in 2009 to the CEO (2008: 261)

A global remuneration of 3.56 million euros (base salary and bonus) was paid to the other members of the Management Committee, including the persons added to the Committee as mentioned above (2008: 3.2 million euros). Finally, the company contributed an aggregate amount of 150,964 euros in insurance premiums for the group insurance scheme that was subscribed to in favor of the members of the Management Committee.

The Board of Directors, the advisory Committees of the Board and the Management Committee are assisted by the Corporate Secretary. This position is held by Dirk Tirez, who is also General Counsel of the company.

BOARD OF AUDITORS

The audit of the financial situation of the company and of the annual accounts is entrusted to a Board of Auditors composed of four members, two of which are appointed at the general meeting of shareholders and the two others by the Court of Auditors.

The Board is composed as follows:

- Ernst & Young Bedrijfsrevisoren BCVBA, represented by Mr. Pierre Anciaux;
- PVMD BCVBA, represented by Mr. Lieven Delva;
- Mr. Philippe Roland, First President of the Court of Auditors;
- Mr. Josef Beckers, Member of the Court of Auditors.

In addition, Ernst & Young and PVMD are responsible for the audit of the consolidated annual accounts of the company and its subsidiaries.

GOVERNMENT COMMISSIONER

The Government Commissioner is Mr. Wim Coumans. He represents the Minister who is responsible for Public Companies, and monitors compliance with the Law, the company's articles of association and the Management Contract.

DE POST - LA POSTE FINANCIAL REPORT 2009

1 SELECTED FINANCIAL FIGURES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
P&L and B / S key figures		
Operating income	2,250.1	2,262.4
Payroll costs	(1,201.5)	(1,294.2)
Other operating costs	(675.0)	(698.8)
Profit from operating activities (EBIT)	373.6	269.4
Normalized profit from operating activities	240.1	221.9
Profit attributable to equity holders	290.9	221.8
Equity	1,132.5	930.1
Other key figures		
EBITDA	475.2	360.5
Normalized EBITDA	341.7	312.5
Operating free cash flow (*)	187.2	228.6
Dividend per share (in EUR)	416.7	419.0
Number of employees (at year end)	34,180	35,313
Number of FTE (at year end)	29,618	30,660
Number of FTE (average)	30,030	31,460

(*) Impact "Personal accounts of individuals" excluded

2 KEY EVENTS OF THE YEAR

LIBERALIZATION

The Third postal directive 2008/6 of the European Parliament and the European Council was adopted on 20 February 2008 and published on 27 February 2008. The Directive aims to achieve an internal market for postal services through the removal of exclusive and special rights in the postal sector, to safeguard a common level of universal services for all users in all EU countries and to set harmonized principles for the regulation of postal services.

On 18 December 2009, the Belgian Council of Ministers approved the draft law for the liberalization of the postal market. The draft law contains the following elements:

- designation of De Post NV-La Poste SA as the sole universal service provider for the whole territory as from 2011 for an initial period of 8 years;
- the universal service will be financed exclusively by the State ;
- no use of self-employed in the process of collect, sorting and distribution of addressed mail within the universal service,
- new entrants are required to cover 80% of the territory of each of the 3 regions within 5 years according to the following evolution:
 - year 1: 10%
 - year 2: 20%
 - year 3: 40%
 - year 4: 60%
 - year 5: 80%
- new entrants are required to distribute 2 times a week after 2 years of activity ;
- new entrants are required to apply uniform tariffs per client for the territory that is submitted to the coverage obligation. New entrants may apply different tariffs to different clients.

ENQUIRY FROM THE EUROPEAN UNION COMMISSION

In February 2009, the General Court reversed on procedural grounds the decision of the European Union Commission authorizing the capital increase of 2003.

The Belgian State filed an appeal against the judgment of the court.

Pending the resolution of the appeal, the European Union Commission re-opened the file of the capital increase of 2003 and launched an investigation into potential illegal state aid for the period 1992-2009.

INAUGURATION OF THE NEW SORTING CENTER FOR INTERNATIONAL MAIL

In April 2009, the new sorting center of Belgian Post International ('BPI'), the division of De Post-La Poste specialized in international mail and parcels, was inaugurated. Located in the Brucargo zone of Brussels Airport, the new sorting facility will support BPI's ambition to grow its international mail and parcels business to and from Belgium and for the rest of the world.

STRENGTHENING OF THE OFFERING IN PARCELS & EXPRESS

On 30 June 2009, De Post-La Poste completed the acquisition of three companies operating in the fields of the specialized distribution of parcels and point-to-point sprinter services: Express Road and Courier Network System (both operating under the commercial name of Corpco) and MG Road Express.

These acquisitions strengthen De Post-La Poste's existing Euro-Sprinters courier business by extending its geographic footprint and its client portfolio. They also re-enforce its Parcels business by bringing new, high value added, services to its product portfolio. In 2008, the three companies had a combined turnover of 13.5 million EUR.

NEW COLLECTIVE LABOR AGREEMENT COVERING THE YEARS 2009 AND 2010

On 16 July 2009, De Post-La Poste's workers' council approved the Collective Labor Agreement covering the years 2009 and 2010. The agreement was subsequently approved by the Board of Directors.

The new agreement included an increase of the purchasing power averaging 1% of the net salary. It also included two non-recurring bonuses payable in 2010 if certain profitability and absenteeism levels are achieved and, if those levels are achieved, that are variable based on the actual performance of the company on these two measures. These non-recurring bonuses could deliver an additional purchasing power of 1% on average.

The measure included in the previous Collective Labor Agreement and offering qualifying workers aged 50 and over an indemnity for opting for a part-time job was renewed for the years 2009 and 2010.

CHANGES IN THE MEDICAL BENEFITS SCHEME FOR RETIREES

Effective 1 July 2009, the scheme providing certain medical benefits for De Post-La Poste's retirees is operated by a non-profit association managed by the representatives of the workers. On this occasion, De Post-La Poste made a one-off contribution to the association to help it carrying out its mission. In the future, De Post-La Poste will not contribute in any way to the funding of the scheme or of the association. The latter will independently determine the conditions for participating in the scheme and the benefits.

ROLL OUT OF THE AUTOMATED SORTING OF PARCELS

As from April 2009, De Post-La Poste rolled out the centralization and the automation of the sorting of parcels. Since that date, all parcels for distribution in Belgium are processed in the sorting centers of Antwerp X and Charleroi X using automated sorters. This project will improve productivity whilst increasing quality.

EVOLUTION OF THE RETAIL NETWORK

By the end of 2009, the retail network included 1,401 point of sales (2008: 1,354). During the year, 164 Post Points were opened (and 34 were closed) to reach a total of 688. They replace 82 wholly-owned post offices which were closed during 2009. Post Points are retail outlets offering the majority of postal services. They are owned and operated by third party partners under agency contracts.

This conversion of post offices into Post Points is part of the evolution of the retail network which aims at maintaining a postal presence throughout the country whilst improving De Post-La Poste's cost structure in order to ensure the financial and commercial viability of its retail network. The conversion program, which is executed without any forced dismissal, is almost completed with a more limited number of conversions planned for 2010.

ACQUISITION BY CVC CAPITAL PARTNERS OF THE PARTICIPATION HELD BY POST DANMARK

On 25 June 2009, the Belgian government authorized CVC Capital Partners to acquire the participation held by Post Danmark in the holding company that owns 50% minus 1 shares of De Post-La Poste. This transaction had already been cleared by the European Commission and was approved by the Board of Directors of De Post-La Poste.

Following this transaction, the Belgian State still owns directly and indirectly 50% plus 1 share of De Post-La Poste's capital.

De Post-La Poste and Post Danmark will continue their cooperation in terms of knowledge sharing and benchmarking. CVC Capital Partners re-confirmed its support to De Post-La Poste's transformation program and to its 5-year plan.

PROPOSAL REGARDING THE TRANSFORMATION OF THE MAIL NETWORK

On 17 December 2009, management submitted to the social partners a number of proposals regarding the transformation of the mail network. These proposals are designed to strengthen the company's competitiveness ahead of the full opening of the market in 2011.

Under these proposals, all new workers of the mail divisions (domestic and international) will be hired according to a new pay scale. This pay scale is lower than the one currently in force for new employees but new workers will possibly have the opportunity to evolve over time toward the current pay scale.

This proposal will reduce the overall unit cost and will enable the consolidation of the distribution network from about 485 platforms to about 128.

Management also announced its intention to introduce a scheme under which employees who will reach the age of 58 by 31 December 2010, who work in certain departments which have been designated as being under restructuring and who are not replaced will have the possibility to apply for early retirement, funded by the Company.

ACQUISITION OF A MAJORITY INTEREST IN MAIL SERVICES, INC. LOCATED IN THE USA

On 28 December 2009, De Post-La Poste completed the purchase of a majority of the outstanding shares of US Mail & Parcel distributor Mail Services, Inc (referred to as MSI hereafter). MSI, headquartered in Sterling, Virginia, had sales of ca. \$ 27 million in 2009.

This acquisition will strengthen De Post-La Poste's Belgian Post International business and will create the opportunity for growth in the North American international mail sector.

3 FINANCIAL REVIEW

3.1 INCOME STATEMENT

De Post-La Poste realized during the 2009 financial year a profit of 290.9 million EUR (2008: 221.8 million EUR). The increase in the profit for the year is explained by the increase in the positive contribution of the non-recurring items impacting the results, from a net income of 43.1 million EUR in 2008 to a net income of 127.8 million EUR in 2009, representing an increase of 84.7 million EUR. Excluding the evolution of the non-recurring items, the profit for the year decreased by 15.6 million EUR or 8.7% as improved operating performance and lower taxes were more than compensated by significantly lower financial results.

At the operating activities level, the company registered a profit from operating activities (EBIT) of 373.6 million EUR (2008: 269.4 million EUR). Excluding the non-recurring income and charges, EBIT rose 8.2%.

The improvement in EBIT has been achieved in spite of a slight decline of the operating income which decreased by 1% to reach 2,250.1 million EUR (2008: 2,262.4 million EUR). This decrease in operating income is due to lower demand for the company's products as the general level of economic activity was low in 2009 and as electronic substitution continued to increase. The decline in operating income was more than compensated by a 5.8% reduction in operating expenses (including depreciation, amortization and impairment charges) which amounted to 1,876.5 million EUR (2008: 1,993.0 million EUR).

Excluding the non-recurring items impacting 2008 and 2009 and the changes in scope, underlying operating income decreased by 1% and underlying operating expenses (including depreciation, amortization and impairment charges) decreased by 2%.

FOR THE YEAR ENDED 31 DECEMBER	2009	2008	DELTA
IN MILLION EUR			
Total operating income	2,250.1	2,262.4	-1%
Materials cost	(19.1)	(27.9)	-32%
Services and other goods	(524.0)	(569.5)	-8%
Payroll costs	(1,201.5)	(1,294.2)	-7%
Other operating expenses	(30.2)	(10.4)	191%
Total operating expenses	(1,774.9)	(1,902.0)	-7%
EBITDA	475.2	360.5	32%
Depreciation, amortization	(101.6)	(91.0)	12%
Profit from operating activities (EBIT)	373.6	269.4	39%
Financial result	(5.6)	43.1	-113%
Share of profit of associates	4.7	1.3	251%
Profit before tax	372.6	313.9	19%
Income tax expense	(81.7)	(92.1)	-11%
Profit for the year	290.9	221.8	31%

Both 2008 and 2009 were impacted by a series of non-recurring items which affected the EBITDA, the EBIT and the profit for the year. Normalized EBITDA, normalized EBIT and normalized profit for the year exclude the impact of those non-recurring items.

FOR THE YEAR ENDED 31 DECEMBER	2009	2008	EVOLUTION
IN MILLION EUR			
Reported EBITDA	475.2	360.5	
Collective Labor Agreement	19.4	-	
Curtailment employee benefits	(116.8)	-	
Compensation for termination of allowances	-	38.4	
Other restructuring charges	-	(2.4)	
BPO return on equity commitment	(13.1)	-	
Modifications in employee benefits schemes	(23.0)	(83.9)	
Normalized EBITDA	341.7	312.5	9.3%

FOR THE YEAR ENDED 31 DECEMBER	2009	2008	EVOLUTION
IN MILLION EUR			
Profit from Operating Activities (EBIT)	373.6	269.4	
Collective Labor Agreement	19.4	-	
Curtailment employee benefits	(116.8)	-	
Compensation for termination of allowances	-	38.4	
Other restructuring charges	-	(2.1)	
BPO return on equity commitment	(13.1)	-	
Modifications in employee benefits schemes	(23.0)	(83.9)	
Normalized Profit from Operating Activities (EBIT)	240.1	221.9	8.2%

FOR THE YEAR ENDED 31 DECEMBER	2009	2008	EVOLUTION
IN MILLION EUR			
Profit for the year (EAT)	290.9	221.8	
Collective Labor Agreement	12.8	-	
Curtailment employee benefits	(116.8)	-	
Compensation for termination of allowances	-	25.3	
Other restructuring charges	-	(1.4)	
BPO return on equity commitment	(8.6)	-	
Modifications in employee benefits schemes	(15.2)	(67.0)	
Normalized Profit for the year (EAT)	163.1	178.7	-8.7%

The non-recurring items split per line of the income statement (at EBIT level) can be summarized as follows:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008	EVOLUTION
IN MILLION EUR			
Operating income			
Non-recurring income	0.0	0.0	0.0
Payroll costs	(120.4)	(45.5)	(74.9)
Other operating charges	(13.1)	(2.4)	(10.7)
Depreciation, amortization and impairment	0.0	0.3	(0.3)
Non-recurring costs	(133.5)	(47.6)	(85.9)
Non-recurring items	(133.5)	(47.6)	(85.9)

In December 2009, the company announced its intention to introduce a scheme under which employees who will reach the age of 58 by 31 December 2010, who work in certain departments which have been designated as being under restructuring and who are not replaced will have the possibility to apply for early retirement. In January 2010, the representatives of the workforce and the company approved the proposed scheme. The cost of the scheme was estimated at 19.4 million EUR and a non-recurring charge of that amount was recorded in the 2009 income statement.

Effective 1 July 2009, the scheme providing certain medical benefits for the company's retirees is operated by a non-profit association managed by the representatives of the workers. On this occasion, the company made a one-off cash contribution of 19 million EUR to the association to help it carrying out its mission. The curtailment of the benefit triggered a reversal of the employee benefit liability recorded on the company's statement of financial position and generated a non-cash, non-recurring income of 116.8 million EUR.

In December 2008, the company and the representatives of the workforce reached a preliminary agreement regarding the termination of certain allowances. A one-off payment to the workforce, estimated at 38.4 million EUR, was agreed in compensation for the loss of the allowances and was charged in the 2008 income statement. The preliminary agreement was confirmed in February 2009.

In 2008, previously recorded restructuring provisions were reversed for an amount of 2.1 million EUR as actual and forecasted expenditures were lower than initially estimated.

In 2009, the company and Fortis Bank reached an agreement to alter the contracts linking them in Banque de La Poste-Bank van De Post ('BPO'). As a result of this agreement, the company reversed the unused portion of the provision it had established to cover the risk of the 'Return on Equity' clause included in the contracts. The reversal amounted to 13.1 million EUR.

The company has performed the periodic review of the accounting estimates relating to its liabilities for employee benefits. This review has led to the recognition of a non-recurring income (shown as negative personnel expenses) of 23 million EUR (2008: 83.9 million EUR). In 2008, the source of the non-recurring income was (i) the curtailment of a plan (impact: 26.2 million EUR); (ii) the impact of changes in the rules relating to a plan (impact: 34.2 million EUR); (iii) a change in the computation methodology as additional and improved individual data were used (impact: 23.5 million EUR). In 2009, the source of the non-recurring income related to changes in the computation methodology as additional and improved data were used.

OPERATING INCOME

Operating income decreased by less than 1% to 2,250.1 million EUR (2008: 2,262.4 million EUR).

The changes in scope (2008 included only 7 months of income of Certipost and 2009 includes 6 months of income of Courier Network System, Express Road and MG Road Express which were fully consolidated as from June 2009) account for an increase in revenues of 10.5 million EUR. Excluding these changes in scope, the decline in operating income is 1%.

FOR THE YEAR ENDED 31 DECEMBER	2009	2008	EVOL	EVOL %
IN MILLION EUR				
Mail	1,812	1,819	(7)	0%
Domestic Mail	1,402	1,381	21	2%
International Mail	372	399	(27)	-7%
Philately	38	39	(1)	-3%
Retail & Financial Services	220	239	(18)	-8%
Parcels & Express	96	95	1	1%
Unaddressed Mail	75	65	10	15%
Document Management	55	49	5	11%
Corporate Services	22	32	(11)	-33%
Intercompany Transactions	(30)	(37)	7	-20%
De Post-La Poste Group	2,250	2,262	(12)	-1%

The Mail activities, which represent 81% (2008: 80%) of operating income, showed a small decrease of 7 million EUR compared to the previous year.

Domestic Mail revenues improved by 2% or 21 million EUR. This growth was achieved in spite of a very difficult economic environment throughout the year. Pricing and product mix helped compensate the overall volume decline estimated at 4%. The prices of most products were increased in early 2009 as a delayed effect of the high cost inflation recorded in 2008 (4.5%) and which could not be passed on to customer before the beginning of the following year.

- **Daily** and **Registered Mail** volumes declined by almost 8% during the year partially due to substitution by clients in favor of administrative mail. This decline was compensated by price increases and a better product mix.
- **Administrative Mail** volume increased by 2.7% helped by some substitution from daily mail. Pricing and mix delivered 2.9% in additional revenues.
- **Addressed Direct Mail** volume declined by 7.8% as companies reduced their advertising budgets in particular in the second half of the year. This decline was however lower than the estimated decline of the advertising market as a whole. Prices and mix delivered a 4.0% positive contribution to revenues.
- **Press** volumes were down 2.0%. Prices and mix were a positive 4.8%.
- **Value Added Services** showed some growth in 2009 mainly due to pricing and mix.
Value added services include services such as on-site collection and franking of mail products (Servipost, Home Collection), forwarding of changes in address (Mutapost), etc...

The **International Mail** activity registered a decline of its revenues of 27 million EUR or 7% compared to 2008

- Business Mail (transit mail) volumes declined by 11.0% due on the one hand to the loss of an important customer in early 2009 and to the impact of the poor economic climate.
- Inbound Mail volumes decreased by 10.3% due to the economic climate. This decline was almost totally compensated by one-off income resulting from the settlement with foreign operators of the invoicing of previous years and by better prices and mix.
- Outbound Mail volume was down 11.4% only partially compensated by better pricing and mix.

Compared to last year, **Retail & Financial Services** lost 18 million EUR or 8% in revenue. This decrease is due to a 23.8 million EUR reduction in the cash management revenues as the remuneration of those services is pegged to the ECB interest rate. They were therefore adversely impacted by the low interest rates during 2009. The commissions and fees received for the sale of banking and insurance products were 7 million EUR or almost 8% higher due to the very positive evolution of the assets under management and the more favorable product mix. The income from other financial services, were slightly down due to lower ATM revenues whilst the sale of retailer products such as pre-paid telephone cards showed continued improvements.

Parcels and Express revenues increased by 1 million EUR. Excluding the impact of the acquisition of Courier Network System, Express Road and MG Road Express, revenues were down by 5.5 million EUR. Excluding reclassifications to other product portfolios, underlying sales were down 1 million EUR. Volumes were down 5.8% driven by the full-year impact of the changes in the product offering implemented in the course of 2008 and in particular the end of same-day delivery and of Saturday delivery. On the other hand, pricing and mix improved by 4.5%, partially compensating the decline in volume.

Unaddressed Mail revenues increased by 10 million EUR or 15%, driven by the success of Distripost, a premium unaddressed product distributed by the mail network along with the regular addressed mail.

Document Management revenues increased by 6 million EUR compared to 2008. At comparable scope (12 months of contribution by Certipost in both years), the increase is 2 million EUR. This increase is entirely due to the good performance of Certipost which continued to grow profitably during the year and of eXbo which managed to increase its sales in a difficult economic environment.

Corporate Services revenues declined by 11 million EUR mainly due to lower profit on disposal of buildings (impact: 3 million EUR) and lower rental income due to the disposal of buildings in 2008 and 2009 (impact: 4 million EUR).

OPERATING EXPENSES

Operating expenses, including depreciation, amortization and impairment charges, amounted to 1,876.5 million EUR (2008: 1,993.0 million EUR), a 116.5 million EUR or 6% decrease compared to last year.

The changes in scope (2008 included only 7 months of expenses of Certipost and 2009 includes 6 months of costs of Courier Network System, Express Road and MG Road Express which were fully consolidated as from June 2009) account for an increase in expenses of 11.7 million EUR.

The non-recurring expenses moved from a net income (negative costs) of 47.6 million EUR in 2008 to a net income (negative costs) of 133.5 million EUR, representing a positive evolution of 85.9 million EUR.

Excluding the impact of the changes in scope and the evolution of the non-recurring expenses, underlying operating expenses decreased by 42.3 million EUR or 2%. The continuation of the productivity improvement programs, the implementation of specific cost reduction initiatives and low inflation during the year compensated the salary inflation carried over from 2008.

The **raw material, consumables and goods for resale** decreased by 8.8 million EUR at 19.1 million EUR (2008: 27.9 million EUR) mainly due to significantly lower utilization of external drivers following the restructuring of the parcels network and to the outsourcing of the printing activities.

The **costs for goods and services** decreased by 45.4 million EUR or 8% compared to 2008.

Excluding the adverse impact on costs of the changes in scope (6.2 million EUR), the costs of goods and services decreased by 51.6 million EUR or 9%:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008	EVOL	EVOL
IN MILLION EUR			EUR	%
Rent and Rental costs	56.6	60.4	(3.9)	-6.4%
Maintenance and Repairs	56.9	59.6	(2.7)	-4.6%
Energy delivery	38.5	40.8	(2.3)	-5.6%
Other goods	28.5	29.9	(1.4)	-4.8%
Postal and Telecom costs	9.0	8.1	0.9	11.5%
Insurance costs	17.7	17.5	0.2	1.1%
Transport costs	121.7	137.8	(16.1)	-11.7%
Publicity and Advertising	17.4	21.6	(4.2)	-19.3%
Consultancy	23.7	30.7	(7.0)	-22.7%
Interim	53.4	70.2	(16.8)	-23.9%
Third party remuneration, fees	87.6	77.2	10.3	13.4%
Other services	13.0	15.7	(2.5)	-16.4%
Total	524.0	569.5	(45.5)	-8.0%

- Rent and rental costs decreased by 3.9 million EUR. Excluding the impact of the changes in scope, the decrease amounts to 4.3 million EUR. This decrease is due to the end of the rental of the WTC building, the exit from a number of buildings following the restructuring of the network partially compensated by the continued shift from ownership to rental for the vehicle fleet and the rental of the new International sorting center in Brucargo.
- Maintenance and repairs show a decrease of 2.7 million EUR compared to 2008 which still contained some costs associated with the termination of the WTC lease. No such charges were recorded in 2009.
- Energy delivery decreased by 2.3 million EUR or 5.6% driven by the lower cost of fuel for the fleet of vehicles, partially compensated by higher price for gas and electricity.
- Postal and telecom costs increased by 0.9 million EUR or 11.5% as 2008 had benefited from a rebate covering several years.
- Insurance costs increased by 0.2 million EUR or 1.1%.
- Transport costs decreased by 16.1 million EUR or 11.7% compared to 2008. Terminal dues and transport costs relating to the international activity have declined by 9.6 million EUR driven by lower volumes partially compensated by increased unit cost. Customs costs amounting to 2.8 million EUR were reclassified from transport costs in 2008 to other operating costs in 2009. The balance of the decrease is due to the restructuring of the parcels network which led to a reduction of the transport costs.
- Publicity and Advertising costs decreased by 4.2 million EUR compared to 2008. Advertising costs, in particular above-the-line campaigns, were reduced in order to save costs.
- Consultancy costs decreased by 7.0 million EUR or 22.7% compared to 2008 as some significant projects such as the restructuring of the parcels network came to an end and efforts were made to reduce the use of consultants.
- Interim costs decreased by 16.8 million EUR or 23.9% compared to last year. Interims are used to cover short-term needs in manpower or to bridge short to medium term gaps for significant projects. The usage of interims in 2009 was on average over the year 354 FTE lower than in 2008 as the company reduced its reliance on interims.
- Third party remuneration and fees increased by 10.3 million EUR or 13.4%. Changes in scope account for an increase of 3.3 million EUR. The increase in the number of transactions performed by Post Points translated into a 3.7 million EUR increase in their remuneration. The cost of transport of funds increased by 3.1 million EUR due to the increase in the number of ATM's, the outsourcing of the preparation of pensions and the general increase in the movements of funds.

Payroll costs amounted to 1,201.5 million EUR in 2009 (2008: 1,294.2 million EUR) which represents a decrease of 92.7 million EUR. The scope changes generated by consolidation of Certipost for a full year and the inclusion of Courier Network System, Express Road and MG Road Express for 6 months represented a 3.6 million EUR increase in payroll costs. Non-recurring items contributed a net income (negative cost) of 45.5 million EUR in 2008 whereas they represent a reduction in expenses of 120.4 million EUR in 2009. The evolution of the non-recurring items had therefore a favorable impact of 74.9 million EUR compared to 2008. Excluding the impact of the changes in scope and of the evolution of the non-recurring items, payroll costs showed an underlying reduction of 21.4 million EUR or 1.7%.

The underlying decline in payroll cost can be explained by the reduction of the average workforce of 1,473 FTE's or 64.5 million EUR driven by the various re-organization plans. This reduction should be analyzed alongside the decrease in the use of interims by 354 FTE's or 16.8 million EUR (reported under cost of goods and services). All units contributed to the reduction in FTE's. Productivity programs in collect and distribution, in the back-office of the mail network, in the sorting centers continued to be implemented alongside the restructuring of the cleaning activities and the conversion of the post offices in franchised post points.

The decrease of 64.5 million EUR generated by the reduction in the number of FTE's was partially compensated by:

- The full-year impact of the three cost-of-living increases of February, June and October 2008 which generated an increase in payroll of 29.1 million EUR;
- regular seniority and merit increases for 4.5 million EUR;
- impact of the Collective Labor Agreement for 21.7 million EUR;
- changes in mix for 10.2 million EUR.

Other elements positively impacted the 2009 payroll costs such as improvements in arrears (5 million EUR), less Employee Stock Option Plan (ESOP) costs (2 million EUR), lower early retirement charges (4 million EUR), etc...

Depreciation, amortization and impairment charges increased by 10.6 million EUR due to higher impairment charges.

Other **operating charges** increased by 19.8 million EUR due to the increase in the provision for litigations, partially compensated by the reversal of the unused portion of the provision for Return on Equity obligation.

Financial results deteriorated by 48.7 million EUR. Interests generated by the company's cash decreased by 39.5 million EUR due to significantly lower interest rates in 2009 and to a very conservative investment policy which favored investments in government-backed short term instruments. Interest expense associated with employee benefits increased by 14.6 million EUR as the 2008 figures included actuarial gains of 16.4 million EUR. These negative trends were partially compensated by the reversal of impairments on financial investments and by lower interests on indebtedness.

Taxes decreased from 92.1 million in 2008 to 81.7 million in 2009 in spite of the higher profit before tax. The 2009 tax charge represents 21.9% of the profit before tax compared to 29.3% in 2008. This significant improvement is due to the fact that the employee liability provision relating to the medical costs for retirees had been treated as disallowed for tax purposes. As a result, its reversal did not impact the tax expense. Excluding this item, the 2009 tax rate amounts to 31.9%.

3.2 STATEMENT OF FINANCIAL POSITION

ASSETS

During 2009, additions of **property, plant and equipment** (46.5 million EUR) were lower than depreciations (72.8 million EUR) and the impairments (12.4 million EUR). The main investments of the year related to the refurbishing, upgrade and maintenance of the buildings of the mail and retail networks (18 million EUR), security equipment and ATM's (6 million EUR), the acquisition of vehicles (5 million EUR) and IT equipment (5 million EUR).

Intangible assets grew by 12.6 million EUR. This increase is due to the following factors:

- Goodwill of 14.1 million EUR generated by the acquisition of 100% of Courier Network System, Express Road, MG Road Express and of 60% of MSI.
- Investments in software (11.1 million EUR) and software development costs (8.3 million EUR).
- Partially compensated by the amortization of the year: -20.5 million EUR.

The **investment in associates** increased by 87.4 million EUR from 87.7 million EUR to 175.1 million EUR, reflecting the increase of the unrealized gains on BPO's bond portfolio (82.8 million EUR) and the pickup of the company's share of BPO's 2009 results (4.7 million EUR).

Investment property remained stable compared to 2008.

Deferred taxes assets amount to 70.7 million EUR (2008: 90.7 million EUR). The decrease of 20 million EUR is mainly explained by the variance in the deferred tax asset on employee benefits following the decline of the latter.

Investment securities decreased by 986.2 million EUR to 125.3 million EUR as the company decided to invest its available cash with the State Treasury in order to eliminate the counterparty risk. The impact of this decision was also to reduce significantly its interest income. The remaining investment securities as of 31 December 2009 included mainly four floating rate notes for a total of 125 million EUR.

Current trade and other receivables declined by 19.6 million EUR to 351.5 million EUR (2008: 371.1 million EUR), driven by a 12.8 million EUR decrease in trade receivables. The decrease in trade receivables is mainly due to a reduction in the terminal dues owed by foreign operators following the settlement of past years' balances and the impact of the reduction in international volumes, partially compensated by an increase in the advance payments received from clients. Other receivables decreased by 7.3 million EUR.

Cash and cash equivalents increased by 881.8 million EUR to 1,080.3 million EUR (2008: 198.5 million EUR) driven by the decision to invest most of the available liquidities with the State Treasury. This reallocation of investments was partially compensated by the 118.7 million reduction in the deposits received from third parties as they reduced their outstanding balances at year-end.

LIABILITIES

Equity amounts to 1,132.5 million EUR (2008: 930.1 million EUR). The addition of the 290.9 million EUR in consolidated net profit for the 2009 period and the increase of the company's share of the unrealized gains on BPO's bond portfolio for 82.8 million EUR is partially compensated by the payment during the year of a dividend amounting to 171.7 million EUR.

Interest-bearing loans and borrowings are stable at 101.8 million (2008: 102.6 million EUR).

Employee benefits amount to 371.1 million EUR (comparable 2008: 544.3 million EUR). This decrease of 173.2 million EUR is due to the following elements:

- The payment of benefits decreased the balance by 66.6 million EUR including 30.1 million EUR for the payment of the early retirement and part-time work benefits;
- The past service gains, curtailments and actuarial gains decreased the liability by a total 128.5 million EUR;
- 40 million EUR were transferred to the unrecognized actuarial gains/losses which moved from a gain of 10.8 million EUR in 2008 to a loss of 29.2 million EUR in 2009;
- Service costs and interest costs relating to the year increased the liability for a total amount of 61.1 million EUR.

After deduction of the deferred tax asset relating to them which amounts to 77.8 million EUR, employee benefits represent a net liability of 293.3 million EUR. The unrecognized actuarial losses amount to 29.2 million EUR.

Non-current provisions remained stable at 98.0 million EUR (2008: 98.7 million EUR) as the increase (28.7 million EUR) in the provisions for litigation was compensated by the decrease in the other provisions (29.1 million EUR) and in particular the utilization and reversal of the provision for Return on Equity, related to the former agreement with Fortis on BPO.

Current provisions amount to 32.4 million EUR (2008: 55.1 million EUR).

The increase (20.8 million EUR) in the provisions for litigation was more than compensated by the reduction in the other provisions (45.2 million EUR) and in particular the utilization for 35.9 million EUR of the provision established to cover the payment to the workforce in compensation for the termination of certain allowances.

Current trade and other liabilities decreased to 792.7 million EUR (2008: 904.8 million EUR) driven by the decrease of cash deposited with the company by third parties (decrease of 118.7 million EUR) and the decrease in other payables (decrease of 13.8 million EUR) partially compensated by the increase in payroll and social security payable (increase of 17.8 million EUR) mainly due to the accrual of a non-recurring bonus to all workers foreseen in the Collective Labor Agreement 2009-2010.

3.3 STATEMENT OF CASH FLOWS

Operating activities generated a net cash inflow of 139.9 million EUR (2008: 342.4 million EUR).

The decrease of 202.5 million EUR compared to last year's performance is due to:

- Improved operating performance generating a higher cash profit from operating activities (increase of 69.5 million EUR compared to 2008);
- Decrease of 118.7 million EUR of the funds deposited by third parties (2008: increase of 37.5 million EUR). The negative variance between the two years is therefore 156.2 million EUR. It should be noted that the company has no control on the amount of money deposited by third parties and that these deposits can vary strongly from year to year. Whilst those movements have an impact on the reported cash and cash equivalent, they have no impact on the net cash reported in note 10.27.
- Lower net interest received (decrease of 34 million EUR) due to lower market interest rate and the decision to invest in risk-free paper;
- Unchanged taxes paid;
- Unchanged contribution of the core working capital items (receivables, inventory and payables) since they generated an inflow of 30 million EUR in 2009 compared to an inflow of 31.2 million EUR in 2008.
- A net amount of 23.4 million EUR was paid out of the provisions mainly due to a 35.9 million EUR payment to the workforce to compensate the termination of certain allowances.

Proceeds from sale of property, plant and equipment decreased by 4.2 million EUR to 9.8 million EUR (2008: 14.0 million EUR). During 2009, the company continued to sell properties which are no longer used for its operations.

Acquisitions of property, plant and equipment amounted to 46.5 million EUR (2008: 60.7 million EUR).

Acquisition of intangible assets decreased to 19.4 million EUR (2008: 27.1 million EUR) as last year's figures included the acquisition of the ATM business of BPO.

The acquisition of subsidiaries, net of cash acquired includes the consideration paid for the acquisition of 100% of Courier Network System, Express Road and MG Road Express and of 60% of MSI.

Net cash as reported in note 10.27 and including cash and cash equivalent, investment securities reduced by the amount of interest bearing loans and borrowing and by non-interest bearing loans and borrowing (including the debt corresponding to the deposits by third parties) increased to 990.9 million EUR (2008: 975.9 million EUR).

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4 CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER	NOTES	2009	2008
IN MILLION EUR			
Turnover		2,228.4	2,231.2
Other operating income	10.7	21.7	31.2
Total operating income		2,250.1	2,262.4
Materials cost		(19.1)	(27.9)
Services and other goods		(524.0)	(569.5)
Payroll costs	10.9	(1,201.5)	(1,294.2)
Other operating expenses	10.8	(30.2)	(10.4)
Depreciation, amortization		(101.6)	(91.0)
Total operating expenses		(1,876.5)	(1,993.0)
Profit from operating activities (EBIT)		373.6	269.4
Financial income	10.10	22.1	62.5
Financial cost	10.10	(27.8)	(19.4)
Share of profit of associates	10.18	4.7	1.3
Profit before tax		372.6	313.9
Income tax expense	10.11	(81.7)	(92.1)
Profit from continuing operations		290.9	221.8
Profit from discontinued operations		-	-
Profit for the year		290.9	221.8
Attributable to:			
Owners of the Parent		290.9	221.8
Non-controlling interests		0.0	0.0

5 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Profit for the year	290.9	221.8
Fair value for financial assets available for sale by associates	82.8	24.2
(Loss)gain on available for sale financial assets	125.4	36.2
Income tax effect	(42.6)	(12.0)
Non-controlling interests	0.5	
Other comprehensive income for the year, net of tax	83.3	24.2
Total comprehensive income for the year, net of tax	374.2	246.0
Attributable to:		
Owners of the Parent	373.7	246.0
Non-controlling interest	0.5	0.0

6 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER	Note	2009	2008 (*)
IN MILLION EUR			
Assets			COMPARABLE
Non-current assets			
Property, plant and equipment	10.12	668.1	710.4
Intangible assets	10.15	79.8	67.2
Investment securities	10.17	0.0	0.0
Investments in associates	10.18	175.1	87.7
Investment properties	10.13	15.9	16.5
Deferred tax assets	10.11	70.7	90.7
Trade and other receivables	10.19	0.6	4.3
		1,010.2	976.8
Current assets			
Assets held for sale	10.14	3.6	1.1
Investment securities	10.17	125.3	1,111.5
Inventories	10.20	8.6	9.6
Income tax receivable	10.11	0.5	0.1
Trade and other receivables	10.19	351.5	371.1
Cash and cash equivalents	10.21	1,080.3	198.5
		1,569.8	1,691.9
Total assets		2,580.0	2,668.7
Equity and liabilities			
Equity attributable to equity holders of the Parent			
Issued capital		783.8	783.8
Reserves		57.2	(75.6)
Retained earnings		290.9	221.8
		1,131.8	929.9
Non-controlling interests		0.7	0.2
Total equity		1,132.5	930.1
Non-current liabilities			
Interest-bearing loans and borrowings	10.22	101.8	102.6
Employee benefits	10.23	371.1	544.3
Trade and other payables	10.25	14.2	16.3
Provisions	10.26	98.0	98.7
Deferred tax liabilities	10.11	0.3	0.3
		585.4	762.2
Current liabilities			
Interest-bearing loans and borrowings	10.22	0.8	0.8
Bank overdrafts	10.21	0.0	0.0
Provisions	10.26	32.4	55.1
Income tax payable	10.11	36.1	15.7
Trade and other payables	10.25	792.7	904.8
		862.1	976.4
Total liabilities		1,447.5	1,738.6
Total Equity and liabilities		2,580.0	2,668.7

(*) The figures in the financial statements for the year 2008 were adapted to ensure comparability in presentation (see note 9)

7 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				NON-CONTROLLING INTERESTS	TOTAL EQUITY
	AUTHORIZED & ISSUED CAPITAL	OTHER RESERVES	RETAINED EARNINGS	TOTAL		
IN MILLION EUR						
As per 1 January 2008	783.8	(43.0)	64.8	805.6	0.1	805.7
Profit for the year			221.8	221.8	0.1	221.8
Other comprehensive income		89.0	(64.9)	24.2		24.2
Total comprehensive income	-	89.0	156.9	245.9	0.1	246.0
Dividends (Pay-out)		(121.6)		(121.6)		(121.6)
As per 31 December 2008	783.8	(75.6)	221.7	929.9	0.2	930.1

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				NON-CONTROLLING INTERESTS	TOTAL EQUITY
	AUTHORIZED & ISSUED CAPITAL	OTHER RESERVES	RETAINED EARNINGS	TOTAL		
IN MILLION EUR						
As per 1 January 2009	783.8	(75.6)	221.7	929.9	0.2	930.1
Profit for the year			290.9	290.9		290.9
Other comprehensive income		304.5	(221.8)	82.8	0.5	83.3
Total comprehensive income	-	304.5	69.1	373.7	0.5	374.1
Dividends (Pay-out)		(171.7)		(171.7)		(171.7)
As per 31 December 2009	783.8	57.3	290.9	1,131.8	0.7	1,132.5

Other reserves per 31 December 2009 (57.3 million EUR) are composed of 100.2 million EUR of the legal reserve, 28.8 million EUR of tax free reserve, 13.6 million EUR of Earnings of prior years and -85.4 million EUR of the consolidation reserve.

The amount under "Other comprehensive income" concerns mainly the unrealized gains and losses on the bond portfolio of BPO. See also section 10.18 for more details.

	TOTAL NUMBER OF SHARES	SHARE CLASS A		SHARE CLASS B		SHARE CLASS C	
		NUMBER OF SHARES	MILLION EUR	NUMBER OF SHARES	MILLION EUR	NUMBER OF SHARES	MILLION EUR
As per 1 January 2009	409,838.0	204,920.0	483.8	204,643.0	299.6	275.0	0.4
Changes during the year	-	-	-	(182.0)	(0.3)	182.0	0.3
As per 31 December 2009	409,838.0	204,920.0	483.8	204,461.0	299.3	457.0	0.7

The shares have no nominal value and are fully paid up. During 2009, Management acquired 182 shares by exercising options received under the Employee Stock Option Plan ('ESOP'). This resulted in a transfer of 182 shares from class B to class C. The class C shares are entitled to the same rights as the A and B class shares and carry full voting rights.

8 CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Operating activities		
Profit from operating activities (EBIT)	373.6	269.5
Depreciation and amortization	101.6	88.4
Impairment on bad debts	3.4	4.1
Loss/(Gain) on sale of property, plant and equipment	(7.2)	(8.0)
Change in employee benefit obligations	(196.7)	(148.9)
Interest received	25.5	62.5
Interests paid	(7.6)	(10.6)
Dividends received	-	-
Income tax paid	(40.6)	(40.7)
Cash flow from operating activities before changes in working capital and provisions	251.9	216.3
Decrease / (increase) in trade and other receivables	(0.8)	12.6
Decrease / (increase) in inventories	0.5	(1.0)
Increase / (decrease) in trade and other payables	30.3	19.6
Deposits received from third parties	(118.7)	37.5
Increase / (decrease) in provisions	(23.4)	57.5
Net Cash from operating activities	139.9	342.4
Investing activities		
Proceeds from sale of property, plant and equipment	9.8	14.0
Proceeds from sale of investments	-	-
Disposal of subsidiaries, net of cash disposed of	-	-
Acquisition of property, plant and equipment	(46.5)	(60.7)
Acquisition of intangible assets	(19.4)	(27.1)
Acquisition of other investments	-	(0.2)
Acquisition of subsidiaries, net of cash acquired	(15.4)	(2.2)
Net cash used in investing activities	(71.5)	(76.3)
Financing activities		
Proceeds from the issue of share capital	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Payment of financing lease liabilities	(1.2)	(0.4)
Dividends paid to equity holders of the Parent	(171.7)	(121.6)
Net Cash from financing activities	(172.9)	(122.0)
Net increase in cash and cash equivalents	(104.4)	144.1
Cash and cash equivalent less bank overdraft as of 1 January	198.5	154.8
Investment securities as of 1 January	1,111.5	1,011.1
Cash and cash equivalents and Investment securities as of 1 January	1,310.0	1,165.9
Cash and cash equivalent less bank overdraft as of 31 December	1,080.3	198.5
Investment securities as of 31 December	125.3	1,111.5
Cash and cash equivalents and Investment securities as of 31 December	1,205.5	1,310.0
Movements between 1 January and 31 December	(104.4)	144.1

9 COMPARABILITY BETWEEN FINANCIAL YEARS

De Post-La Poste has adapted the 2008 published figures to align the presentation of the financial statements with its main competitors in order to facilitate comparability. The figures on the face of the financial statements are those after reclassifications. The details of the reclassifications are provided hereafter in order to facilitate the reconciliations with the figures published last year.

IMPACT ON STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER	2008	IMPACT	2008
IN MILLION EUR	PUBLISHED	RECLASSIFICATION	COMPARABLE
Assets			
Non-current assets			
Property, plant and equipment	710.4		710.4
Intangible assets	67.2		67.2
Investment securities	0.0		0.0
Investments in associates	87.7		87.7
Investment properties	16.5		16.5
Deferred tax assets	90.7		90.7
Trade and other receivables	4.3		4.3
	976.8		976.8
Current assets			
Assets held for sale	1.1		1.1
Investment securities	1,111.5		1,111.5
Inventories	9.6		9.6
Income tax receivable	0.1		0.1
Trade and other receivables	371.1		371.1
Cash and cash equivalents	198.5		198.5
	1,691.9		1,691.9
Total assets	2,668.7		2,668.7
Equity and liabilities			
Equity attributable to equity holders of the Parent			
Issued capital	783.8		783.8
Reserves	(75.6)		(75.6)
Retained earnings	221.8		221.8
	929.9		929.9
Non-controlling interest	0.2		0.2
Total equity	930.1		930.1
Non-current liabilities			
Interest-bearing loans and borrowings	102.6		102.6
Employee benefits	483.9	60.5	544.3
Trade and other payables	16.3		16.3
Provisions	98.7		98.7
Deferred tax liabilities	0.3		0.3
	701.7		762.2
Current liabilities			
Interest-bearing loans and borrowings	0.8		0.8
Bank overdrafts	0.0		0.0
Provisions	55.1		55.1
Income tax payable	15.7		15.7
Trade and other payables	965.3	(60.5)	904.8
	1,036.9		976.4
Total liabilities	1,738.6		1,738.6
Total Equity and liabilities	2,668.7		2,668.7

The company changed the classification of the liability "pension saving days" from a current trade and other payable to a non-current employee benefit since it is considered as a long-term employee benefit according to IAS 19.

10 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10.1 GENERAL INFORMATION

BUSINESS ACTIVITIES

De Post-La Poste and its subsidiaries (hereinafter referred to as "De Post-La Poste") provide national and international mail services comprising the collection, transport, sorting and distribution of mail, printed documents, newspapers as well as addressed and non-addressed documents.

De Post-La Poste, through its subsidiaries and business units, also sells a range of other products and services, including postal, banking and financial products, express delivery services, document management and related activities. De Post-La Poste also carries out public-interest activities on behalf of the State.

LEGAL STATUS

De Post-La Poste is a limited-liability company under public law. De Post-La Poste has its registered office at the Muntcentrum-Centre Monnaie, 1000 Brussels.

10.2 CHANGE IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

During the year, De Post-La Poste has adopted the following new and amended IFRS. The adoption of these revised standards did not have any effect on the financial performance or position of the Group.

- **IAS 1 revised** – Presentation of Financial Statements.
- **IFRS 3 - IAS 27** – Business Combinations (revised) and Amendments to IAS 27 Consolidated and Separate Financial Statements.

The principal effect of the changes is outlined hereunder:

IAS 1 revised Presentation of Financial Statements

The revision includes changes in the titles of some of the financial statement. The balance sheet is renamed "statement of financial position", the income statement becomes "statement of comprehensive income" and the cash flow statement is now titled "statement of cash flows",

In accordance with the revised standard, De Post-La Poste presents now separately all owner changes in equity in the statement of changes in equity (see Note 7) and all non-owner changes in equity in a statement of comprehensive income (see Note 5).

IFRS 3 - IAS 27 Business Combinations (revised) and Amendments to IAS 27 Consolidated and Separate Financial Statements

The IFRS 3 requires significant changes in the accounting for business combinations occurring after 1 July 2009. The amended IAS 27 changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

These amendments will affect future business combinations or loss of control of subsidiaries and transactions with non-controlling interests of De Post-La Poste.

The following new accounting standards and interpretations entered into force in 2009 but they did not have any effect on the presentation, the financial performance or position of De Post-La Poste:

- **IFRS 8** – Operating segments
- **IFRS 1 - IAS 27** – Amendments to IFRS 1 First-time Adoption of IFRS and IAS 27 Consolidated and Separate Financial statements – Cost of an Investment in Subsidiary, Joint Controlled Entity or an Associate.
- **IAS 23** - Amendments to IAS 23 Borrowing costs
- **IFRS 2** – Amendments to IFRS 2 – Share-based Payments: Vesting Conditions and Cancellations.
- **IFRS 7** – Financial Instruments: Disclosures – Disclosures on Fair value and Liquidity Risk.
- **IAS 32 - IAS 1** – Amendments to Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation.
- **IFRIC 9 - IAS 39** – Re-measurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement – Reassessment of Embedded Derivatives.
- **IFRIC 13** – Customer Loyalty Programs: accounting treatment of revenues arising in connection with customer loyalty programs operated by the service providers or manufacturers themselves or by third parties.
- **IFRIC 14 - IAS 19** - Limit on a defined benefit asset, minimum funding requirements and their interaction: general guidance on how to assess the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement.
- **IAS 39** – Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items.
- **IFRIC 12** – Service Concession Arrangements: accounting guidance for operators entering into public-to-private service concession arrangements.
- **IFRIC 16** - Hedges of a Net Investment in a Foreign Operation.
- **IFRIC 17** – Distributions on Non-cash Assets to Owners.
- **IFRIC 18** – Transfers of Assets from Customers.

STANDARDS AND INTERPRETATIONS NOT YET APPLIED BY DE POST-LA POSTE

The following new IFRS Standards and IFRIC Interpretations, which are yet to become mandatory, have not been applied by De Post-La Poste for the preparation of its 2009 financial statements.

Standard or interpretation	Effective for in reporting periods Starting on or after
IFRS 9 – Financial Instruments	1 January 2013
IAS 24 – Related Party Disclosure (revised)	1 January 2011
IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues	1 February 2010
IFRS 2 - Amendments to IFRS 2 Share-based Payments: Group Cash-settled Share-based Payment Arrangements	1 January 2010
IFRIC 14 - IAS 19 – Amendments: Prepayments of a Minimum Funding Requirements	1 January 2011
IFRS 1 – Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional exemptions for First-time Adopters	1 January 2010
IFRIC 15 – Agreements for the Construction of Real Estate	1 January 2010
IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Various – Annual improvements to IFRS 2009	1 January 2010 unless stated otherwise

10.3 SIGNIFICANT ACCOUNTING JUDGMENTS

A series of significant accounting judgments underlie the preparation of IFRS compliant consolidated financial statements. These impact the value of assets and liabilities. Estimates and assumptions are made concerning the future. These are re-assessed on a continuous basis and are based on historically established patterns and expectations with regards to future events that appear reasonable under the existing circumstances.

• Employee Stock Option Plan (ESOP)

In accordance with IFRS 2, the ESOP impact is measured using the Binomial Option Pricing Model and the price thus calculated is recognized in the income statement under personnel costs and spread over the term of the options. The various input parameters are summarized hereafter:

- Volatility of share price: 39.4%
- Dividend yield: 14.13%
- Expected life: NA

• Employee Benefits - IAS 19

The key assumptions, inherent to the valuation of employee benefit liabilities and the determination of the pension cost, include employee turnover, mortality rates and retirement ages, discount rates, expected long term returns on plan assets, benefit increases and future wage increases, which are updated on an annual basis. Given the increase of the reference database with each year of historical data that is added, the data become ever more stable and reliable. Actual circumstances may vary from these assumptions, giving rise to different employee benefit liabilities, which would be reflected as an additional profit or cost in the income statement.

Furthermore, with regards to Accumulated Compensated Absences, the consumption pattern of the illness days was derived from the statistics over the first eleven months of 2009 projected on 12 months, as provided by the company's human resources department. The number of days of illness depends on the age, identified per segment of the statutory population.

In addition, with regards to the same liability, another key variable is the percentage of the projected salary used for determining the cost: 71% guaranteed salary independent of service and independent of the number of days in the 'notional' account and 29% 'top up' guaranteed salary for the number of days accumulated in the account.

For most benefits, an average cost per inactive member is used for the valuation of the benefits. This average cost has been estimated by dividing the annual cost for inactive members by the number of inactive beneficiaries based on the reference data received from the pensions' administration.

For 2009, the discount rates have been determined by a mixture of financial and non-financial AA Corporate bonds based on information available on IboXX. This is the same approach as used in other years, except for 2008 when due to the financial crisis, De Post-La Poste had elected to set the discount rate on basis of non financial bonds only.

• Useful Lives and Residual Values

Useful lives and residual values of tangible and intangible assets are determined based on periodic analyses of actual useful lives (historicals) and the planned use of these assets (budget & long-term plan).

The estimated useful life of an asset can be amended upon occurrence of an event which might impact its remaining use (e.g. breach of one of the IAS 36 impairment indicators).

Material changes in the estimated useful life of assets are disclosed in the financial statements upon occurrence.

• Provisions

Provisions are recognized for liabilities to third parties, arising from past events whose settlement is expected to result in a (reliably measurable) cost. They represent uncertain obligations that are carried at the best estimate of the future obligation.

• Revenue Recognition

The recognition of revenue and other operating income is reported when a service has been rendered and its income can be reliably measured. In addition, there must be a high probability of the economic benefit from the transaction flowing back to De Post-La Poste.

For the services rendered, the stage of completion determines the fraction of the amounts recognized. In application of this principle, the revenue deferral includes a portion of the sale of stamps and of the revenues from franking machines.

• Deferred Taxes

In accordance with IAS 12, deferred taxes are recognized for temporary differences between the carrying amounts of the IFRS statements and the (BGAAP) tax accounts.

De Post-La Poste recognized a deferred tax asset in respect of all temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

• Financial instruments

De Post-La Poste designated all financial instruments at fair value through the profit and loss account, upon initial recognition. The company has chosen this category because the performance of these instruments is evaluated on a fair value basis, in line with the documented investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

10.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on a historical cost basis, except for investment securities that are measured at fair value. The consolidated financial statements are presented in EUR and all values are rounded to the nearest million except when otherwise indicated.

The consolidated financial statements have been adopted by the Board of Directors on 3 March 2010 and have been prepared using the measurement basis specified by the International Financial Reporting Standards (IFRS). The measurement bases are more fully described in the accounting policies below.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent with De Post-La Poste's latest approved budget/long-term plan projection, where applicable. Judgments are based on the information available on each statement of financial position date. Although these estimates are based on the best information available to the management, actual results may ultimately differ from those estimates.

CONSOLIDATION

The parent company and all the subsidiaries it controls are included in the consolidation. No exception is permitted.

SUBSIDIARIES

Assets and liabilities, rights and commitments, income and charges of the parent and its subsidiaries that it controls exclusively are consolidated in full. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when De Post-La Poste holds at least 50%, plus one share of the entity's voting power; these presumptions may be rebutted if there is clear evidence to the contrary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether De Post-La Poste controls an entity.

Consolidation of a subsidiary takes place from the date of acquisition, which is the date on which control of the net assets and operations of the acquiree is effectively transferred to the acquirer. From the date of acquisition, the parent (the acquirer) incorporates into the consolidated income statement the financial performance of the acquiree and recognizes in the consolidated statement of financial position the acquired assets and liabilities (at fair value), including any goodwill arising on the acquisition. Subsidiaries are de-consolidated from the date on which control ceases. Intragroup balances and transactions, as well as unrealized gains and losses on transactions between group companies are eliminated in full.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

ASSOCIATES

An associate is an entity in which De Post-La Poste has significant influence, but which is neither a subsidiary nor a joint venture (see below) of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not to control those policies. It is presumed to exist when De Post-La Poste holds at least 20% of the investee's voting power but not to exist when less than 20% is held; these presumptions may be rebutted if there is clear evidence to the contrary.

All associates are accounted for using the equity method: the participating interests are separately included in the consolidated statement of financial position (under the caption "Investments in associates") at the closing date at an amount corresponding to the proportion of the associate's equity (as restated under IFRS), including the result for the period. Dividends received from an investee reduce the carrying amount of the investment.

The portion of the result of associates attributable to De Post-La Poste is included separately in the consolidated income statement under the caption "Share of profit of associates (equity method)."

Unrealized profits and losses resulting from transactions between an investor (or its consolidated subsidiaries) and associates are eliminated to the extent of the investor's interest in the associate.

JOINTLY CONTROLLED ENTITIES

Entities over which De Post-La Poste exercises joint control under a contractual agreement with one or more other partners are also accounted for under the equity method.

GOODWILL AND NEGATIVE ACQUISITION DIFFERENCES

Where an entity is acquired, the difference recorded on the date of acquisition between the acquisition cost of the investment and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill (if the difference is positive) or directly as a profit in the income statement (if the difference is negative).

Goodwill is not amortized, but is tested for impairment annually.

INTANGIBLE ASSETS

An intangible asset is recognized on the consolidated statement of financial position sheet where the following conditions are met: (1) the asset is identifiable, i.e. either separable (if it can be sold, transferred, licensed) or it results from contractual or legal rights; (2) it is probable that the expected future economic benefits that are attributable to the asset will flow to De Post-La Poste; (3) De Post-La Poste can control the resource; and (4) the cost of the asset can be measured reliably.

Intangible fixed assets are carried at acquisition cost (including the costs directly attributable to the transaction, but not indirect overheads) less any accumulated amortization and less any accumulated impairment loss.

The expenses in relation to the research phase are charged to the income statement. The expenses in relation to the development phase are capitalized. Within De Post-La Poste, internally generated intangible assets represent mainly IT projects.

Intangible assets are amortized on a systematic basis over their useful life, using the straight-line method.

The applicable useful lives are:

Intangible assets	Useful life
IT development costs	5 years maximum
Licenses for minor software	3 years
Concessions, patents, customers, know-how, trade marks and other similar rights	To be determined on a case by case basis
Goodwill	N/A, but annual impairment test

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at acquisition cost, less any accumulated depreciation and less any accumulated impairment loss. Cost includes any directly attributable cost of bringing the asset to working condition for its intended use. No borrowing cost is included in the cost of property, plant and equipment.

Expenditure on repair and maintenance which serve only to maintain, but not increase, the value of fixed assets are charged to the income statement. However, expenditures on major repair and major maintenance, which increases the future economic benefits that will be generated by the fixed asset, are identified as a separate element of the acquisition cost.

The depreciable amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The depreciable amount is the acquisition cost, except for vehicles. For vehicles, it is the acquisition cost less the residual value of the asset at the end of its useful life. The applicable useful lives are:

Property, plant and equipment	Useful life
Land	N/A
Central administrative buildings	40 years
Network buildings	40 years
Industrial buildings, sorting centers	25 years
Fitting-out works to buildings	10 years
Tractors and forklifts	10 years
Bikes and motorcycles	4 years
All other vehicles (cars, trucks, etc.)	5 years
Machines	10 years
Furniture	10 years
Computer Equipment	5 years

LEASE TRANSACTIONS

A finance lease, which transfers substantially all the risks and rewards incident to ownership to the lessee, is recognized as an asset and a liability at amounts equal to the present value of the minimum lease payments (= sum of capital and interest portions included in the lease payments) or, if lower, the fair value of the leased assets. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in order to obtain a constant rate of interest on the debt over the lease term. The depreciation policy for leased assets is consistent with that for similar assets owned.

Rentals paid/received under operating lease (ones that do not transfer substantially all the risks and rewards incidental to ownership of an asset) are recognized as an expense by the lessee/as an income by the lessor on a straight-line basis over the lease term.

INVESTMENT PROPERTIES

Investment properties are carried at acquisition cost less any accumulated depreciation and less any impairment loss. The depreciation amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The applicable useful lives can be found in the table that is included in section "*Property, plant and equipment*".

ASSETS HELD FOR SALE

Non-current assets are classified as assets held for sale under a separate heading in the statement of financial position if their carrying amount is recovered principally through sale rather than through continuing use. This is demonstrated if certain strict criteria are met (active program to locate a buyer has been initiated, property is available for immediate sale in its present condition, sale is highly probable and is expected to occur within one year from the date of classification).

Non-current assets held for sale are no longer depreciated but may be impaired. They are stated at the lower of carrying amount and fair value less costs to sell.

STAMP COLLECTION

The stamp collection that is owned by De Post-La Poste and used durably by it is stated at the re-evaluated amount less discount for the lack of liquidity. The re-evaluated amounts are determined periodically on the basis of market prices. The stamp collection is recorded in the section "Other Property, Plant and Equipment" of the statement of financial position.

IMPAIRMENT OF ASSETS

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell (corresponding to the cash that De Post-La Poste can recover through sale) and its value in use (corresponding to the cash that De Post-La Poste can recover if it continues to use the asset).

When possible, the tests have been performed on individual assets. When however it is determined that assets do not generate independent cash flows, the test is performed at the level of the cash-generating unit (CGU) to which the asset belongs (CGU = the smallest identifiable group of assets that generates inflows that are largely independent from the cash flows from other CGUs).

An impairment test is carried out annually for a CGU to which goodwill is allocated, but only where there is an indication of impairment for a CGU to which no goodwill is allocated. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

Where impairment is identified, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit. Any excess is then allocated to reduce the carrying amount of other fixed assets of the CGU in proportion to their book values, but solely to the extent that the selling price of the assets in question is lower than their carrying amount. Impairment on goodwill may never be reversed at a later date. Impairment on other fixed assets is reversed if the initial conditions that prevailed at the time the impairment was recorded cease to exist, and solely to the extent that the carrying amount of the asset does not exceed the amount that would have been obtained, after depreciation, had no impairment been recorded.

INVENTORIES

Inventories are measured at the lower of cost and net realizable value at the statement of financial position date.

The acquisition price of interchangeable inventories is determined by application of the FIFO method. Inventories of minor importance whose value and composition remain stable over time are stated in the statement of financial position at a fixed value.

The cost of inventories comprises all costs incurred in bringing inventories to their present location and condition, including indirect production costs. The cost price of stamps includes the direct and indirect costs of production, excluding costs of borrowing and overheads that do not contribute to bringing them to the present location and condition. The allocation of fixed costs of production to the cost price is based on normal production capacity.

A write-down is necessary when the net realizable value at the statement of financial position date is lower than the cost.

SHARE BASED PAYMENTS

The stock option plan is measured using valuation techniques based on option pricing models. Under these models, the options are measured at fair value on the grant date. The option price thus calculated is recognized in the income statement under the section "Payroll costs" and spread over the term of the options.

REVENUE RECOGNITION

Revenue arising from the sale of goods is recognized when De Post-La Poste transfers the significant risks and rewards of ownership to the buyer and it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from the rendering of services is recognized according to the stage of completion of the services rendered. In application of this principle, the revenue relative to the stamp sale and franking machine activity is recognized in income at the time the mail is delivered.

De Post-La Poste also receives commissions on sales of partner products through its network of post offices. Commission income is recorded at the time the services are provided.

Interest income is recognized using the effective yield method and the revenue related to dividends is recognized when the group's right to receive the payment is established. Rental income arising from operating leases or investment properties is accounted for on a straight line basis over the lease term.

RECEIVABLES

Receivables are initially measured at their nominal value and later at their amortized cost, i.e. the present value of the cash flows to be received (unless the impact of discounting is not significant).

An individual assessment of the recoverability of the receivables is made. Impairment is recognized where cash settlement is wholly or partially doubtful or uncertain.

Prepayments and accrued income are also presented under this caption.

INVESTMENT SECURITIES

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenses is recognized in profit or loss or directly in equity.

There are different categories of financial assets:

1. Financial assets held for trading include (a) derivatives and (b) assets that De Post-La Poste has voluntarily decided to classify in the category "at fair value through profit or loss" at the time of initial recognition. These financial assets are measured at their fair value at each statement of financial position date, changes in fair value being recognized in the income statement.
2. Held-to-maturity financial assets are financial assets, other than derivatives, with fixed or determinable payments and fixed maturity dates, which De Post-La Poste has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method.
3. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortized cost using the effective interest method.
4. Available-for-sale financial assets constitute a residual category that includes all the financial assets not classified under one of the previous categories, for instance investments in equity instruments (other than shares in subsidiaries, jointly controlled entities and associates), investments in open-ended mutual funds and bonds that De Post-La Poste has neither the intention nor the ability to hold to maturity. These available-for-sale financial assets are measured at fair value, with changes in fair value recognized directly in equity until the financial assets are derecognized, at which time the cumulative gains or losses previously recognized in equity are recycled in profit or loss.

Regular way purchases or sales of financial assets are recognized and de-recognized using settlement date accounting. The fair values of the financial assets are determined by reference to published price quotations in an active market.

CASH AND CASH EQUIVALENTS

This caption includes cash in hand, at bank, values for collection, short-term investments (with maturity date not exceeding three months as from acquisition date) that are highly liquid and are readily convertible into a known amount of cash and that are subject to an insignificant risk of changes in value, after deduction of bank overdrafts.

SHARE CAPITAL

Ordinary shares are classified under the caption "issued capital".

Treasury shares are deducted from equity. Movements of treasury shares do not affect the income statement.

Other reserves comprise the results of the previous periods, the legal reserve and the consolidated reserve.

Retained earnings include the result of the current period as disclosed in the income statement.

EMPLOYEE BENEFITS

Short-term benefits

Short-term benefits are recognized as an expense when an employee has rendered the services to De Post-La Poste. Benefits not paid for on the statement of financial position date are included under the caption "Payroll and social security payables".

Post-employment benefits and long-term benefits

Employee benefits are valued using an actuarial valuation method and provisions are set up for them (under deduction of any plan assets) in so far as De Post-La Poste has an obligation to incur the costs in relation to these benefits. This obligation can be a legal, contractual or constructive obligation ("vested rights" on the basis of past practice).

In application of these principles, a provision (calculated according to an actuarial method laid down by IAS 19) is set up in the context of the post-employment benefits to cover:

- the future costs relative to current retirees (a provision representing 100% of the future estimated costs of those retirees);
- the future costs of potential retirees, estimated on the basis of the employees currently in service, taking account of the accumulated service of these employees on each statement of financial position date and the probability that the personnel will reach the desired age to obtain the benefits (the provision is constituted progressively, as and when members of the personnel advance in their careers).

A provision is also created for long-term benefits to cover benefits that will only be paid in a number of years but that are already earned by the employee on the basis of the past service. Here, as well, the provision is calculated according to an actuarial method imposed by IAS 19.

The provision is calculated as follows:

Actuarial valuation of the obligation under IAS 19

– Past service costs not yet recognized (solely for post-employment benefits)

+ Actuarial gains / – actuarial losses not yet recognized (solely for post-employment benefits)

– Fair value of the plan assets

= Provision to be constituted (or asset to be recognized if the fair value of the plan assets is higher).

The calculation of the obligation is done using the projected unit credit method. Each year of service confers entitlement to an additional credit unit to be taken into account in valuing the benefits granted and the obligations pertaining thereto. The discount rate used is the yield of high-quality corporate bonds or is based on government bonds with a maturity similar to that of the benefits being valued.

In the event that the benefits are modified, there is a past service cost that is recognized in the income statement (an expense for the year if there is an increase in benefits, profit for the year in the event of a reduction in benefits). Only in the case of post-employment benefits is the past service cost spread over the period that the employees may yet have to work in order to qualify for the benefits. The benefits vest immediately in De Post-La Poste. Any modification to these benefits therefore has a direct impact on the income statement.

Actuarial assumptions (concerning the discount rate, mortality factor, costs of future benefits, inflation, etc.) are used to assess employee benefit obligations in conformity with IAS 19. Actuarial gains and losses inevitably appear, resulting (1) from changes in the actuarial assumptions year on year, and (2) deviations between actual costs and actuarial assumptions used for the IAS 19 valuation. In the case of long-term benefits, these actuarial gains and losses are recognized directly in the income statement.

In the case of post-employment benefits, De Post-La Poste has opted (a) not to recognize actuarial gains and losses that remain within a corridor of 10% of the higher of the following amounts: the amount of the IAS 19 obligation and the fair value of the plan assets, and (b) to spread in the income statement the actuarial gains and losses that fall outside this corridor over a period equal to the average length of the employees' residual service period.

Termination benefits

Where De Post-La Poste terminates the contract of a member of its personnel prior to his normal retirement date or where the employee voluntarily agrees to leave in consideration for benefits, a provision is constituted in so far as there is an obligation on De Post-La Poste. This provision is discounted if the benefits are payable after more than one year.

All benefit obligation plans of all employee benefits are wholly unfunded.

PROVISIONS

A provision is recognized only when:

1. De Post-La Poste has a present (legal or constructive) obligation as a result of past events;
2. it is probable (more likely than not) that an outflow of resources will be required to settle the obligation; and
3. a reliable estimate of the amount of the obligation can be made.

Where the impact is likely to be material (mainly for long-term provisions), the provision is estimated on a net present value basis. The increase in the provision due to the passage of time is recognized as a financial expense.

A provision for restoring polluted sites is recognized if De Post-La Poste has an obligation in this respect. Provisions for future operating losses are prohibited.

If De Post-La Poste has an onerous contract (the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognized as a provision.

A provision for restructuring is only recorded if De Post-La Poste demonstrates a constructive obligation to restructure at the statement of financial position date. The constructive obligation should be demonstrated by: (a) a detailed formal plan identifying the main features of the restructuring; and (b) raising a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or by announcing its main features to those affected.

Dividends payable in respect of year N are only recognized as liabilities once the shareholders' rights to receive these dividends (during the course of year N+1) are established.

INCOME TAXES

Income tax includes current taxation and deferred taxation. Current taxation is the amount of taxes to be paid (recovered) on the taxable income for the current year together with any adjustment in the taxes paid (to be recovered) in relation to previous years. It is calculated using the rate of tax on the statement of financial position date.

Deferred taxation is calculated according to the liability method on the temporary differences arising between the carrying amount of the statement of financial position items and their tax base, using the rate of tax expected to apply when the asset is recovered or the liability is settled. In practice, the rate in force on the statement of financial position date is used.

Deferred taxes are not recognized in respect of:

1. goodwill that is not amortized for tax purposes;
2. the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit; and
3. investments in subsidiaries, branches, associates and joint ventures if it is likely that dividends will not be distributed in the foreseeable future.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The same principles apply to recognition of deferred tax assets for unused tax losses carried forward. This criterion is reassessed on each statement of financial position date.

Deferred taxes are calculated at the level of each fiscal entity. The deferred tax assets and liabilities of various subsidiaries may not be presented on a net basis.

DEFERRED REVENUE

Deferred revenue is the portion of income received during the current or prior financial periods but which relates to a subsequent financial period.

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded in the functional currency of the entities concerned using the exchange rates prevailing on the dates of the transactions. Realized exchange rate gains and losses and non-realized exchange rate gains and losses on monetary assets and liabilities on the statement of financial position date are recognized in the income statement.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are measured at fair value with changes in fair value recognized in the income statement.

Special rules may apply in the case of hedging transactions by means of derivatives, but De Post-La Poste has not entered into this type of transaction. Nor does De Post-La Poste enter into speculative-type derivatives transactions.

10.5 RISK MANAGEMENT

Any of the following risks could have a material adverse effect on the company's financial position, results of operation and liquidities. The risks described below are not the only risks that the company is facing. There may be additional risks to the ones described below which the company is currently unaware of. There may be risks that are currently believed to be immaterial, but which may ultimately have a material adverse effect in the long run.

OPERATIONAL RISKS

The mail business is an integral part of the total business and represents 81% of group operating income. Technologies such as e-mail and internet can be used to send and transfer information. Due to the increased substitution, traditional mail volumes in Belgium have decreased in recent years and this downward trend is expected to continue in the coming years. If substitution continues on a large scale, it could negatively impact the volumes, revenues and profitability of the mail business and of the company as a whole.

De Post-La Poste generates a considerable portion of its revenues in the reserved area of postal services. The liberalization of the postal market in 2011 could impact the company's profitability and market share.

Economic developments and trends may have a material adverse effect on the company's financial condition and/or results of operations. Given that the mail business has high fixed costs and greatly depends on high volume to recover such costs, an economic downturn could have a negative effect on the result of this business segment and as a consequence on the group results.

The success of the business also depends upon avoiding strikes, work stoppages and slowdowns by employees. Actions by large unions or small groups of employees could seriously disrupt the operations. The business may also be negatively affected by the terms of the Collective Labor Agreement concluded with the employees. These terms could include increases in compensation and employee benefits, less flexible working rules than competitors and limitations on future workforce reduction.

Changes in market conditions may lead the company to revise its strategy regarding which businesses it wants to operate. Examples of this are changes in client behavior towards e-invoicing and modifications in the attitude of large advertisers towards direct marketing. Revised strategies may lead to exiting these activities. The resulting employment reduction and other significant restructuring costs could impact the company's profitability.

In order to maintain its market position, the company must make large on-going investments in infrastructure, such as trucks and sorting centers. De Post-La Poste bases its infrastructure investments on forecasts. It may be difficult to forecast accurately the future requirements, since they are based on a large number of factors. As a consequence, there may be a mismatch between the investments and the actual requirements.

If the company underestimates the future capacity requirements, it will not be able to meet the needs of customers and this will have a negative impact on the revenues and profits. If it overestimates the future needs or if major contracts are cancelled by customers, this will result in excess capacity and this will also negatively impact the profitability.

De Post-La Poste restructures redesigns or integrates various aspects of the operations in order to achieve cost savings and other efficiencies. The restructuring operations or cost reducing measures may not achieve the intended results and may have a negative effect on the profitability and revenues.

De Post-La Poste may be unable to prevent the employees from engaging in fraud and misconduct that could adversely affect the business and reputation. Employee misconduct could result in financial losses, the loss of clients and sanctions.

De Post-La Poste is protected against unauthorized access to data through various measures relating to the employees, organization, applications, systems and networks. It also uses firewalls, virus scanners and access control at operating system level to protect the confidentiality, integrity and authenticity of the data.

FINANCIAL RISKS

Exchange rate risk

All the business activities of De Post-La Poste are located in the euro zone. There are very few transactions in foreign currencies, other than for international mandates, the settlement related to the terminal dues (inbound and outbound mail) and as from 2010 the MSI results. The exchange rate risk is consequently very limited and is not subject to any form of active management.

Interest rate risk

The jointly controlled entity BPO is, like any bank, subject to the interest rate risk, which directly influences its margin. Interest rates likewise influence valuation of BPO's bond portfolio, which is measured at its fair value through equity under IFRS. Since BPO is an equity-accounted entity, 50% of the change in its equity directly influences the consolidated equity of De Post-La Poste. The following table illustrates the impact of a change in interest of 1% on BPO's equity and, through the equity pick up, on De Post-La Poste's:

FOR THE YEAR ENDED 31 DECEMBER	2009	
	+1%	-1%
IN MILLION EUR		
Equity BPO	20.0	(20.0)
Equity De Post-La Poste	10.0	(10.0)

De Post-La Poste is also directly exposed to interest rate risks:

- The 100 million EUR loan granted by the European Investment Bank which matures in 2022 carries a floating interest rate (3 months Euribor rate minus 3.7 basis points).
- On 31 December 2009, the company holds 125.3 million EUR in floating rate notes. These bonds have a quarterly coupon that is equal to Euribor 3 months plus a spread. This spread varies from 40 basis points to 47 basis points. These floating rate notes mature in 2010.

CREDIT RISK

De Post-La Poste is exposed to credit risks in its operational activities, in the investment of its liquidities and through its investment in BPO.

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Credit risk classes of financial assets		
Held to maturity financial assets	-	-
Financial assets at fair value through P&L, designated as such upon initial recognition	125.3	1,111.5
Cash and Cash equivalents	1,080.3	198.5
Trade and other receivables	352.1	375.4
Credit risk classes of financial assets	1,557.7	1,685.4

Operational activities

The credit risk by definition only concerns that part of De Post-La Poste's activities that are not paid upfront in cash. It is three-pronged:

- credit risk derives, first of all, from the concentration of key accounts, which generate major turnover and represent a very large amount of outstanding receivables. However, this risk is limited since the company investigates the solvency of its customers. The financial management of De Post-La Poste carries this investigation out itself and fixes a credit rating, which is updated every six months for all customers (and more often in case of doubt on the customer solvency situation). If the solvency investigation produces a negative result, De Post-La Poste requests deposited bank guarantees and direct debit authorizations.
- If the solvency investigation produces a negative result for less significant customers, De Post-La Poste requires the customer to make payments in cash. This risk is therefore also limited;
- finally, the third type of risk is linked to the fact that certain customers fall within certain sectors of business or geographical zones (foreign customers). Similarly, systematic credit-analysis procedures limit the credit risk when key accounts are activated.

The company's policy is to deal only with creditworthy counterparties.

Trade and other receivables have been reviewed for indicators of impairment.

Certain trade receivables were found to be impaired and the movements can be found hereunder.

	2009	2008
IN MILLION EUR		
At 1 January	21.7	27.4
Impairments: Additions	2.5	2.3
Impairments: Utilization	(0.5)	(7.7)
Impairments: Reversal	(0.2)	(0.3)
At 31 December	23.5	21.7

Some of the trade receivables are past due as at the reporting date. The ageing analysis of the trade receivables that are past due is as follows:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Current	281.5	284.7
< 60 days	39.6	45.9
60 -120 days	4.4	5.3
> 120 days	-	2.4
Total	325.5	338.2

Investment of liquidities

Regarding the company's investment of its liquidities, which includes cash and cash equivalents and investment securities, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

De Post-La Poste limits the credit risk on its investments by diversification of the investment portfolio. The amounts invested in floating rate notes are spread over different issuers in different industries. The company analyses the sectors in which it invests and rotates out of those which have negative perspectives.

The sales' proceedings from the disposal of the investment securities have been invested with the State Treasury.

The changes in the fair value of the financial liabilities (see Note 10.22) are not due to changes in credit risk. This is presented in the table hereunder:

	2009	2008
IN MILLION EUR		
Carrying amount at 1 January	102.6	103.2
Changes attributable to changes in credit risk	0	0
Other changes	0	(0.6)
Carrying amount at 31 December	102.6	102.6

BPO

BPO invests the funds that have been deposited by its customers. The bank has adopted a strict investment policy that determines an overall allocation of the investments across Belgian State bonds, other sovereign bonds and bonds from financial and commercial corporations. In addition, maximum concentration limits per issuer, per sector, per rating, per country and per currency have been established and are constantly monitored.

LIQUIDITY RISK

Due to the very nature of its business activities, De Post-La Poste has little need for finance, given that a large portion of its revenues (sales of stamps, etc.) are received in cash.

The maturity of the financial liabilities in the previous reporting period were as follows:

	CURRENT		NON-CURRENT	
	LESS THAN 1 YEAR	WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS	WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS	LATER THAN 5 YEARS
31 DECEMBER 2008 COMPARABLE (*)				
IN MILLION EUR				
Finance lease obligations	0.8	2.3		0.2
Trade and other payables	904.8	7.3		9.0
Bank loan	-	-		100.0

(*) The figures in the financial statements for the year 2008 were adapted to ensure comparability in presentation (see Note 9)

As at 31 December 2009, financial liabilities have contractual maturities which are summarized below:

	CURRENT		NON-CURRENT	
	LESS THAN 1 YEAR	WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS	WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS	LATER THAN 5 YEARS
31 DECEMBER 2009				
IN MILLION EUR				
Finance lease obligations	0.8	1.9		-
Trade and other payables	772.1	5.2		9.0
Bank loan	-	-		100.0

The above contractual maturities are based on the contractual undiscounted payments, which may differ from the carrying values of the liabilities at the statement of financial position date.

10.6 BUSINESS COMBINATIONS

CORPCO NV-SA

On 3 June 2009 De Post-La Poste and Alteris NV-SA created the company Corpco NV-SA. The share capital of Corpco NV-SA is represented by 7,250 ordinary shares without nominal value, which are being held as follows; 7,249 (99.99%) shares by De Post-La Poste and 1 (0.01%) share by Alteris NV-SA.

The capital amounts to 7.25 million EUR and has been paid in completely.

COURIER NETWORK SYSTEM NV-SA (CNS) AND EXPRESS ROAD NV-SA (ER)

On 30 June 2009, Corpco NV-SA purchased the shares of CNS NV-SA and ER NV-SA and therefore became a 100% shareholder of CNS NV-SA and ER NV-SA. Consequently, CNS NV-SA and ER NV-SA have been consolidated using the full-integration method as from 1 July 2009. CNS NV-SA and ER NV-SA are two Belgian companies specialized in the distribution of parcels.

Elements of the cost of acquisition	Express Road	CNS
IN MILLION EUR		
-Cash paid	2.7	5.2
-Cash in the company	0.4	0.5
Total cost of acquisition	2.3	4.7
Fair value of the assets acquired i.e. 100% of Net Assets		
Fair value of the assets acquired i.e. 100% of Net Assets	0.7	1.4
Goodwill	2.0	3.8
Carrying amount in the acquired entity		
Cash and Cash Equivalents	0.4	0.5
Investment Securities	-	-
Receivables	0.8	1.4
Non-current Assets	0.2	0.3
Liabilities	0.6	0.9
Net Assets	0.7	1.4

MG ROAD EXPRESS BVBA-SPRL

On 30 June 2009, Euro-Sprinters NV-SA purchased the shares of MG Road Express BVBA-SPRL and therefore became a 100% shareholder of MG Road Express BVBA-SPRL. MG Road Express BVBA-SPRL has been consolidated using the full-integration method as from 1 July 2009. MG Road Express BVBA-SPRL is a company specialized in the distribution of parcels.

Elements of the cost of acquisition MG Road Express

Elements of the cost of acquisition MG Road Express	
IN MILLION EUR	
-Cash paid	0.5
-Cash in the company	(0.1)
Total cost of acquisition	0.6
Fair value of the assets acquired i.e. 100% of Net Assets	
Fair value of the assets acquired i.e. 100% of Net Assets	(0.1)
Goodwill	0.6
Carrying amount in the acquired entity	
Cash and Cash Equivalents	(0.1)
Investment Securities	-
Receivables	0.3
Non-current Assets	0.3
Liabilities	0.7
Net Assets	(0.1)

MAIL SERVICES , INC.

On 28 December 2009, De Post NV-La Poste SA acquired 60% of the shares of MSI, an American mail and parcel distribution company with headquarters in Sterling, Virginia. This partnership enables BPI to further expand its retail operations in the US and worldwide. The 60% stake in MSI has been acquired for 12 million USD.

As the share purchase agreement was signed at the end of the year no figures are included within the profit and loss statement. MSI's statement of financial position is fully consolidated and 40% of the equity has been registered as non-controlling interests in the equity of De Post-La Poste.

Elements of the cost of acquisition MSI

IN MILLION EUR	
-Cash paid	8.4
-Cash in the company	0.6
Total cost of acquisition	7.8
Fair value of the assets acquired i.e. 60% of Net Assets	0.7
Goodwill	7.7
Carrying amount in the acquired entity	
Cash and Cash Equivalents	0.6
Investment Securities	-
Receivables	2.2
Non-current Assets	0.3
Liabilities	2.0
Net Assets	1.1

10.7 OTHER OPERATING INCOME

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Gain on disposal of property, plant and equipment	7.3	8.2
Benefits in kind	0.4	0.2
Rental income of investment property	1.8	1.7
Other rental income	2.6	6.0
Third party costs recovery	5.7	6.2
Other	4.0	8.9
	21.7	31.2

The decrease in the gains realized on disposal of property, plant and equipment is related to the decrease of the number of buildings sold in 2009 as compared to 2008.

The share of rental income related to investment property amounts to 1.8 million EUR (2008: 1.7 million EUR).

The decrease of the other rental income is mainly due to the absence of sub-renting of the WTC building. At the end of 2008, De Post-La Poste stopped the rent of the WTC building.

The third party costs recovery relates to the sales realized by the company's restaurants.

Other sources of operating income mainly consist of reimbursements by third parties of damages suffered by De Post-La Poste and its subsidiaries.

10.8 OTHER OPERATING EXPENSE

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Provisions	29.1	(13.3)
Local and real estate taxes	2.5	4.8
Impairment on trade receivables	3.4	1.5
Expenses related to 'Return On Equity' obligation	(13.1)	16.5
Other	8.4	0.9
	30.2	10.4

Provisions increased mainly due to the new provisions to cover litigations risks and to cover a series of restructuring costs in some subsidiaries. (see also Note 10.26). The 'Return on equity' obligation is reversed for the unused portion by 13.1 million EUR.

10.9 EMPLOYEE EXPENSE

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Employee remuneration	1,004.9	1,033.7
Compensation for termination of allowances	(35.9)	38.4
Social security contributions	221.2	212.4
Other personnel costs	11.4	9.7
	1,201.5	1,294.2

The 2008 accounts included a charge of 38.4 million EUR covering the cost of buying out a number of allowances paid to personnel. As shown in the table, an amount of 35.9 million EUR was utilized in 2009.

As at 31 December 2009, the headcount of De Post-La Poste amounted to 34,180 (2008: 35,313) and is composed as follows:

- Statutory personnel: 22,363 (2008: 23,538)
- Contractual personnel: 11,817 (2008: 11,775)

The number of FTE at year-end amounted to 29,618 (2008: 30,660) and is composed as follows:

- Statutory personnel: 19,114 (2008: 20,373)
- Contractual personnel: 10,504 (2008: 10,287)

The average FTE number for 2009 is 30,030 (2008: 31,460).

10.10 FINANCIAL INCOME AND FINANCIAL COST

The following amounts have been included in the income statement line for the reporting periods presented:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Financial income	22.1	62.5
Financial costs	(27.8)	(19.4)
Net financial result	(5.6)	43.1

FINANCIAL INCOME

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Interest income from financial assets at fair value through P&L, designated as such upon initial recognition	7.9	52.2
Interest income from liquidities put at the disposal of the State	10.5	4.8
Interest income from short term bank deposits	1.1	1.3
Interest income from current accounts	0.1	0.9
Gain from exchange differences	2.1	2.7
Other	0.5	0.6
Financial income	22.1	62.5

FINANCIAL COST

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Interest expense from financial liabilities at fair value through P&L, designated as such upon initial recognition	3.0	5.5
Financial costs on benefit obligations (IAS 19)	23.5	8.9
Loss from exchange differences	3.5	2.8
Impairment current/financial assets	(3.4)	0.8
Other finance costs	1.1	1.4
Financial costs	27.8	19.4

10.11 INCOME TAX / DEFERRED TAX

Income taxes recognized in the income statement can be detailed as follows:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Tax expense included:		
Current tax expenses	(61.7)	(64.9)
Adjustment recognized in the current year in relation to the current tax of prior years	0.3	9.2
Deferred tax expense relating to the origination and reversal of temporary differences	(20.3)	(36.4)
Total tax expense	(81.7)	(92.1)

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate can be summarized as follows:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Tax expense using statutory tax rate	126.7	106.7
Profit before income tax	372.6	313.9
Statutory tax rate	33.99%	33.99%
Reconciling items between statutory and effective tax		
Tax effect of rates in other jurisdictions	0.0	0.0
Tax effect of non tax deductible expenses	18.3	14.3
Notional interest deduction	(10.3)	(10.8)
Tax release prior year	(0.3)	(9.2)
Tax effect of tax losses utilized by subsidiaries	(0.6)	(4.0)
Subsidiaries in loss situation	2.0	0.8
BPO/Certipost (*) (equity method)	(1.6)	(0.5)
Interco adjustments	0.0	7.7
Other:		
Other differences	(52.4)	(12.9)
Total	81.7	92.1
Tax using effective rate (current period)	(81.7)	(92.1)
Profit before income tax	372.6	313.9
Effective tax rate	21.9%	29.3%

(*) Certipost was accounted for according to the equity-method for five months in 2008. From May 2008, it was accounted for at 100%

The amount of 52.4 million EUR recognized "other differences" is mainly related to Taxipost as losses became deductible upon liquidation and the curtailment of a medical expense plan which is not deductible.

At December 2009, De Post-La Poste recognized a net deferred income tax asset of 70.7 million EUR.

This net deferred income tax asset is composed as follows:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Deferred tax assets		
Employee benefits	77.8	91.9
Provisions	19.6	16.2
Other	16.0	32.6
Total deferred tax asset	113.4	140.6
Deferred tax liabilities		
Property plant and equipment	34.2	37.1
Intangible assets	6.4	6.6
Other	2.2	6.1
Total deferred tax liabilities	42.8	49.9
Net deferred tax asset	70.7	90.7

Deductible temporary differences arise in respect of provisions for employee benefits and other provisions, impairment losses, leasing and provision for financial guarantee. Taxable temporary differences arise in respect of accelerated tax depreciation of property, plant and equipment, intangible assets, inventories and revenue recognition.

No deferred tax is recognized on temporary differences arising from investments in subsidiaries and associates, because De Post-La Poste has control on the reversal of the temporary difference and it is probable that they will not be reversed in the foreseeable future.

The temporary differences associated with investments in subsidiaries and associates for which a deferred tax liability has not been recognized aggregate to 1.1 million EUR (2008: 1.4 million EUR).

10.12 PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND VEHICLES	FIXTURES AND FITTINGS	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
IN MILLION EUR						
Acquisition cost						
Balance at 1 January 2008	837.4	253.3	234.0	64.4	0.9	1,390.1
Acquisitions	-	5.8	20.2	23.1	11.4	60.7
Acquisitions through business combinations	-	1.5	0.4	0.2	-	2.1
Disposals	(2.1)	(3.0)	(13.3)	(3.6)	-	(22.0)
Assets classified as held for sale or investment property	6.5	-	-	(9.7)	-	(3.2)
Other movements	-	0.2	-	(0.2)	-	-
Balance at 31 December 2008	841.9	257.8	241.4	74.3	12.3	1,427.7
Balance at 1 January 2009	841.9	257.8	241.4	74.3	12.3	1,427.7
Acquisitions	-	11.5	15.6	17.8	1.5	46.5
Acquisitions through business combinations	-	0.1	1.6	0.5	-	2.2
Disposals	-	(29.8)	(26.0)	(14.5)	-	(70.3)
Assets classified as held for sale or investment property	3.7	-	-	(17.9)	-	(14.3)
Other movements	-	9.5	0.4	0.1	(10.0)	-
Balance at 31 December 2009	845.5	249.2	233.1	60.3	3.8	1,391.9
Revaluation						
Balance at 1 January 2008	-	-	-	-	7.4	7.4
Balance at 31 December 2008	-	-	-	-	7.4	7.4
Balance at 1 January 2009	-	-	-	-	7.4	7.4
Balance at 31 December 2009	-	-	-	-	7.4	7.4
Depreciation and impairment losses						
Balance at 1 January 2008	(329.9)	(155.1)	(153.3)	(34.7)	-	(672.9)
Acquisitions through business combinations	-	(1.3)	(0.4)	(0.1)	-	(1.8)
Disposals	2.1	3.0	13.3	3.6	-	22.0
Disposals through the sale of subsidiaries	-	-	-	-	-	-
Depreciation	(21.3)	(21.2)	(20.9)	(13.3)	-	(76.7)
Impairment losses	4.8	(2.9)	-	0.1	-	1.9
Assets classified as held for sale or investment property	(4.9)	-	-	7.9	-	2.9
Other increase (decrease)	-	-	-	-	-	-
Balance at 31 December 2008	(349.3)	(177.5)	(161.4)	(36.5)	-	(724.7)
Balance at 1 January 2009	(349.3)	(177.5)	(161.4)	(36.5)	-	(724.7)
Acquisitions through business combinations	-	(0.1)	(1.0)	(0.2)	-	(1.3)
Disposals	0.2	29.8	26.0	14.3	-	70.3
Disposals through the sale of subsidiaries	-	-	-	-	-	-
Depreciation	(20.7)	(15.8)	(22.1)	(14.1)	-	(72.8)
Impairment losses	5.0	(2.0)	(7.1)	(8.3)	-	(12.4)
Assets classified as held for sale or investment property	(1.0)	-	-	10.7	-	9.6
Other increase (decrease)	-	-	0.1	-	-	0.1
Balance at 31 December 2009	(365.9)	(165.6)	(165.6)	(34.1)	-	(731.2)
Carrying amount						
At 31 December 2008	492.6	80.3	80.0	37.7	19.8	710.4
At 31 December 2009	479.7	83.6	67.5	26.1	11.2	668.1

Property, plant and equipment decrease by 42.3 million EUR compared to last year. This decrease is explained by four main elements:

- New acquisitions: 46.5 million EUR of which 11.5 million EUR for plant and equipment (mainly sorting center, security and other recurring investments), 15.6 million EUR for furniture and vehicles and 17.8 million EUR for the renovation of post offices and other industrial buildings
- Depreciation and impairment losses: -85.2 million EUR
- Transfers to assets held for sale and investment properties: -4.7 million EUR
- Acquisition of four subsidiaries for a net amount of 0.9 million EUR (See Note 10.6 Business combinations)

The transfer to other asset categories mainly relates to the separate presentation in the statement of financial position of investment properties and property, plant and equipment held for sale following the adoption of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

All depreciation and impairment charges are included in the section "Depreciation, amortization" of the income statement.

10.13 INVESTMENT PROPERTY

	LAND AND BUILDINGS
IN MILLION EUR	
Acquisition cost	
Balance at 1 January 2008	43.2
Acquisitions	-
Transfer from/to other asset categories	(7.1)
Balance at 31 December 2008	36.1
Balance at 1 January 2009	36.1
Acquisitions	-
Transfer from/to other asset categories	(0.9)
Balance at 31 December 2009	35.1
Depreciation and impairment losses	
Balance at 1 January 2008	(21.4)
Depreciations	(0.2)
Transfer from/to other asset categories	2.1
Balance at 31 December 2008	(19.6)
Balance at 1 January 2009	(19.6)
Depreciations	(0.1)
Impairment losses	-
Transfer from/to other asset categories	0.4
Balance at 31 December 2009	(19.2)
Carrying amount	
At 31 December 2008	16.5
At 31 December 2009	15.9

Investment property essentially relates to apartments located in buildings hosting post offices. Investment properties are carried at acquisition cost less any accumulated depreciation and less any impairment loss. The depreciation amount is allocated on a systematic basis over useful life (in general 40 years). The rental income of the investment property amounts to 1.8 million EUR (2008: 1.7 million EUR). The fair value of the investment property can be estimated at 35.6 million EUR based on an updated real estate evaluation report. (2008: 25.4 million EUR).

10.14 ASSETS HELD FOR SALE

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Property, plant and equipment	3.6	1.1
	3.6	1.1

At 31 December 2009, De Post NV-La Poste SA recognized assets held for sale for 3.6 million EUR. The majority of assets relating to this category are retail outlets which are vacant as a consequence of the optimization of the post offices network.

The increase of 2.6 million EUR in asset held for sale between 2009 and 2008 is due to the sales agreements signed in 2009 with pending deed signature (2.8 million EUR) partly counterbalanced by deeds signed on prior years' sales agreements (0.2 million EUR); 18 buildings are recognized in assets held for sale as per 2009.

Profits on disposal of 7.3 million EUR (2008: 8.2 million EUR) were accounted for in the income statement in the section "Other operating income". The impairment charges are accounted for in the section "Depreciation, amortization" and is equal to 0.1 million EUR (2008: 0.2 million EUR).

10.15 INTANGIBLE ASSETS

	GOODWILL	DEVELOPMENT COSTS	SOFTWARE	OTHER INTANGIBLE ASSETS	TOTAL
IN MILLION EUR					
Acquisition cost					
Balance at 1 January 2008	13.8	66.5	75.1	-	155.4
Acquisitions	7.0	13.5	6.4	7.3	34.2
Acquisitions and additions through business combinations	2.1	5.6	3.2	-	10.9
Disposals	-	(2.7)	-	-	(2.7)
Disposals through the sale of subsidiaries	-	-	-	-	-
Transfer to other asset categories	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 31 December 2008	22.9	82.9	84.7	7.3	197.8
Balance at 1 January 2009	22.9	82.9	84.7	7.3	197.8
Acquisitions	14.1	8.3	11.1	-	33.5
Acquisitions and additions through business combinations	-	-	0.2	-	0.2
Disposals	-	(3.2)	(8.2)	-	(11.4)
Disposals through the sale of subsidiaries	-	-	-	-	-
Transfer to other asset categories	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 31 December 2009	37.0	87.9	87.8	7.3	220.1
Amortization and impairment losses					
Balance at 1 January 2008	(11.1)	(42.7)	(46.1)	-	(100.0)
Acquisitions and additions through business combinations	(1.3)	(5.6)	(2.7)	-	(9.5)
Disposals	-	2.7	-	-	2.7
Disposals through the sale of subsidiaries	-	-	-	-	-
Amortization	-	(10.0)	(6.4)	(1.5)	(17.9)
Impairment losses	0.3	(5.0)	(1.2)	-	(5.9)
Transfer to other asset categories	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 31 December 2008	(12.1)	(60.7)	(56.4)	(1.5)	(130.6)
Balance at 1 January 2009	(12.1)	(60.7)	(56.4)	(1.5)	(130.6)
Acquisitions and additions through business combinations	-	-	(0.1)	-	(0.1)
Disposals	-	3.2	8.2	-	11.4
Disposals through the sale of subsidiaries	-	-	-	-	-
Amortization	-	(11.2)	(7.8)	(1.4)	(20.5)
Impairment losses	-	(0.5)	-	-	(0.5)
Transfer to other asset categories	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 31 December 2009	(12.1)	(69.1)	(56.1)	(2.9)	(140.2)
Carrying amount					
At 31 December 2008	10.9	22.3	28.3	5.8	67.2
At 31 December 2009	25.0	18.8	31.7	4.4	79.8

Intangible assets increase by 12.6 million EUR compared to last year. This increase is due to the following factors:

- Consolidation goodwill generated by the acquisition of four subsidiaries for 14.1 million EUR (See Note 10.6 Business combinations)
- ICT developments capitalized for 8.3 million EUR
- Investments in software and licenses for 11.1 million EUR of which 4.7 million EUR related to sorting center improvements
- Amortization of the year for -20.5 million EUR of which -1.4 million EUR related to prior year acquisition of the ATM's and ATM business from BPO (other intangible assets)
- Impairments of ICT development costs capitalized for -0.5 million EUR

All amortization and impairment charges are included in the section "Depreciation, amortization" of the income statement.

10.16 LEASE

FINANCE LEASE

The finance lease liabilities as of 31 December 2009 relate to the Saint-Denis building, machinery and vehicles. The building was acquired in the context of the disposal of Asterion and the machinery is essentially located within the subsidiaries Speos and Secumail. The vehicles are located within the newly acquired subsidiaries Express Road and MG Road.

The net carrying amount and useful lives of the leased assets are as follows:

IN MILLION EUR	USEFUL LIVES	CARRYING AMOUNT 31 DEC. 2009
Land and Buildings (Saint-Denis)	25 years	2.7
Machinery and equipment	5 years	1.0
Vehicles	5 years	0.2

The future minimum finance lease payments at the end of each reporting period under review were as follows:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Minimum lease payments		
Within 1 year	0.8	0.9
1 to 5 years	1.9	2.6
More than 5 years	0.0	0.2
Total	2.7	3.7
Less		
Future finance costs	0.2	0.4
Present value of the minimum lease payments		
Within 1 year	0.7	0.8
1 to 5 years	1.8	2.3
More than 5 years	0.0	0.2
Total	2.5	3.3

The financial lease agreements include fixed lease payments and a purchase option at the end of lease term.

OPERATING LEASE

The group's future minimum operating lease payments are as follows:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Less than one year	40.0	33.7
Between one year and five years	116.6	104.3
More than five years	61.6	52.8
	218.2	190.8

The operating leases relate to buildings and vehicles. Lease payments are recognized as an expense in the section "Services and other goods" for an amount of 56.6 million EUR (2008: 60.4 million EUR).

The operational lease agreements include fixed lease payments. The risks and rewards incidental to the ownership are not transferred to De Post-La Poste.

The group's future minimum operating lease income is as follows and relates to buildings:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Less than one year	1.5	2.6
Between one year and five years	6.1	9.0
More than five years	6.5	4.6
	14.1	16.2

The income that is related to operational lease agreements is recognized in the section "Other operating income" for an amount of 4.4 million EUR (2008: 7.7 million EUR).

10.17 INVESTMENT SECURITIES

	FINANCIAL ASSETS HELD TO MATURITY	TOTAL NON-CURRENT INVESTMENTS	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS, DESIGNATED AS SUCH UPON INITIAL RECOGNITION	TOTAL CURRENT INVESTMENTS	TOTAL
IN MILLION EUR					
Acquisition cost					
Balance at 1 January 2008	0.0	0.0	1,011.1	1,011.1	1,011.1
Acquisitions	-	-	917.9	917.9	917.9
Acquisitions through business combinations	-	-	3.2	3.2	3.2
Changes in fair value	-	-	(0.2)	(0.2)	(0.2)
Disposals	-	-	(820.5)	(820.5)	(820.5)
Transfer to other asset categories	-	-	-	-	-
Balance at 31 December 2008	0.0	0.0	1,111.5	1,111.5	1,111.5
Balance at 1 January 2009	0.0	0.0	1,111.5	1,111.5	1,111.5
Acquisitions	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Disposals	-	-	(986.2)	(986.2)	(986.2)
Balance at 31 December 2009	0.0	0.0	125.3	125.3	125.3
Impairment losses					
Balance at 1 January 2008	0.0	0.0	0.0	0.0	0.0
Other movements	-	-	-	-	-
Balance at 31 December 2008	0.0	0.0	0.0	0.0	0.0
Balance at 1 January 2009	0.0	0.0	0.0	0.0	0.0
Other movements	-	-	-	-	-
Balance at 31 December 2009	0.0	0.0	0.0	0.0	0.0
Carrying amount					
At 31 December 2008	0.0	0.0	1,111.5	1,111.5	1,111.5
At 31 December 2009	0.0	0.0	125.3	125.3	125.3

As per 31 December 2009, De Post-La Poste holds 125 million EUR in floating rate notes. These financial instruments have a variable quarterly coupon that is equal to Euribor 3 months plus a spread. The market value of these instruments is not materially different to the acquisition cost increased with the accrued and unpaid interests. These floating rate notes mature in 2010.

The asset management contracts and commercial papers came to an end in 2009 and the amounts were not reinvested. All the investments above are accounted for as financial assets at fair value designated as such upon initial recognition. Their performance is evaluated on a fair value basis in accordance with a documented investment strategy. Information about the investments is provided internally to the company's management on that same basis.

10.18 INVESTMENT IN ASSOCIATES

	2009	2008
IN MILLION EUR		
Balance at 1 January	87.7	62.6
Share of profit	4.7	1.3
Other movements in equity of associates	82.7	23.8
Balance at 31 December	175.1	87.7

SHARE OF PROFIT/LOSS

In 2009, the amount is composed of De Post-La Poste's share in the profit of BPO of 4.6 million EUR. Last year, the share of profit was composed of BPO's profit amounting to 1.4 million EUR, partially offset by the share of Certipost's loss of -0.1 million EUR for the first five months of the year.

DIVIDENDS RECEIVED

In 2009, no dividend originating from associate companies was attributed to De Post-La Poste.

OTHER MOVEMENTS

The amounts represent the increase in unrealized gains on BPO's bond portfolio (82.7 million EUR).

An overview of the selected financial figures of the associates is presented in the following tables:

2008	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES (excl. equity)	REVENUES	PROFIT/(LOSS)
IN MILLION EUR					
BPO	50%	7,109.7	6,934	308.0	2.7
2009					
IN MILLION EUR					
BPO	50%	7,517.7	7,167.1	324.9	9.3

10.19 TRADE AND OTHER RECEIVABLES

NON-CURRENT TRADE AND OTHER RECEIVABLES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Trade receivables	-	2.2
Other receivables	0.6	2.1
	0.6	4.3

CURRENT TRADE AND OTHER RECEIVABLES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Trade receivables	325.5	338.2
Tax receivables, other than income tax	0.9	0.5
Other receivables	25.1	32.4
	351.5	371.1
FOR THE YEAR ENDED 31 DECEMBER		
IN MILLION EUR		
Accrued income	14.3	15.5
Deferred charges	8.2	10.9
Other receivables	2.6	6.0
Current - Other receivables	25.1	32.4

The variation in the non-current trade and other receivables with last year is mainly explained by the final payment from "Pitney Bowes" of the sale of "Asterion" (-2.2 million EUR). The remaining part of other receivables includes mainly cash guarantees that were released from escrow. The carrying amount of the non-current receivables is considered a reasonable approximation of the fair value of this financial asset, as it is expected to be paid within a short timeframe, making the impact of the time value of money is not significant.

Current trade receivables amount include third-party trade debtors (147 million EUR), receivables from the State (87 million EUR), credit notes to be received, suppliers with debit balance (33 million EUR) and prepayments (46 million EUR).

Tax receivables relate to the outstanding VAT amounts to be received from the Ministry of Finance.

Within current receivables, "Other receivables" consist almost entirely of accrued income and deferred charges. Important elements herein are the commission to be received from BPO (14.7 million EUR), prepaid rent and other accruals.

Trade and other receivables are mainly short-term. The carrying amounts are considered to be a reasonable approximation of the fair value.

10.20 INVENTORIES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Raw materials	1.4	1.9
Finished products	3.2	3.1
Goods purchased for resale	6.0	6.1
Reductions in value	(2.0)	(1.5)
Inventories	8.6	9.6

Raw materials include consumables. Finished products are stamps available for sale. Goods for resale mainly include postograms, post cards and supplies available for resale.

In 2009, an amount of 0.5 million EUR (2008: -1.0 million EUR) is recognized as an expense in the section "Material cost". This figure represents the stock variation of the different product types (more details can be found in the table above).

The increase in the reductions in value is mainly caused by an impairment booked for obsolete stock (0.8 million EUR). This is partially offset by an adjustment of the impairment booked for stamps with an old facial value. Compared to last year, this impairment decreased by 0.2 million EUR.

10.21 CASH AND CASH EQUIVALENTS

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Cash in Post Offices	179.0	136.9
Cash in Transit	(7.0)	(2.0)
Bank current accounts	81.7	55.6
Liquidities deposited with the State Treasury	826.6	8.0
Overdrafts with State Treasury	-	-
Cash and cash equivalents	1,080.3	198.5

10.22 FINANCIAL LIABILITIES

NON-CURRENT LIABILITIES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Financial liabilities at amortized cost		
Bank loans	100.0	100.0
Finance lease liabilities	1.8	2.6
	101.8	102.6

CURRENT LIABILITIES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Financial liabilities at amortized cost		
Finance lease liabilities	0.8	0.8
	0.8	0.8

The non-current financial liabilities consist mainly of a bank loan of 100 million EUR concluded in 2007 with the European Investment Bank. This loan matures in 2022.

10.23 EMPLOYEE BENEFITS

De Post-La Poste grants its active and retired personnel post-employment benefits, long-term benefits, other long term benefits and termination benefits. These benefit plans have been valued in conformity with IAS 19. Some of them originate from measures negotiated in the framework of Collective Labor Agreement ('CLA'). The benefits granted under these plans differ according to the three categories of employees of De Post-La Poste: civil servants (also known as statutory employees), baremic contractual employees and non-baremic contractual employees.

The employee benefits are as follow:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008 (*)
IN MILLION EUR		
Total	(371.1)	(544.3)
Post-employment benefits	(44.2)	(179.1)
Long-term employee benefits	(183.1)	(196.1)
Termination benefits	(29.9)	(38.1)
Other long-term benefits	(113.9)	(131.1)

(*) The figures in the financial statements for the year 2008 were adapted to ensure comparability in presentation (see note 9)

Net of the deferred tax asset relating to them, employee benefits amount to 293.3 million EUR (2008: 452.4 million EUR).

FOR THE YEAR ENDED 31 DECEMBER	2009	2008 (*)
IN MILLION EUR		
Employee benefits	(371.1)	(544.3)
Deferred tax assets impact	77.8	91.9
Employee benefits net of deferred tax	(293.3)	(452.4)

(*) The figures in the financial statements for the year 2008 were adapted to ensure comparability in presentation (see note 9)

POST-EMPLOYMENT BENEFITS

Post-employment benefits include medical expenses, family allowances, transport costs, bank costs, funerary costs and retirement gifts.

Medical expenses

Active and inactive civil servants and baremic employees as well as the surviving spouses and orphans were eligible to medical costs benefits, subject to certain conditions. In general, 40% of the medical costs were refunded after deduction of the social security reimbursements. For other costs, a fixed amount was refunded.

On 26 June 2009, De Post-La Poste, its social partners and the "Service Social Des Postes" have concluded a framework agreement concerning the restructuring of the "Service Social" entity. As a result, the obligation related to the medical expenses benefit granted to the inactive members has transferred to the new separate entity "PENSOC" by paying a one-off contribution of 19 million EUR. As a consequence, De Post-La Poste no longer has any constructive obligation towards the inactive population and the benefit is no longer valued.

Following the curtailment of this benefit, a profit of 116.8 million EUR has been recorded in De Post-La Poste's consolidated income statement, in accordance with the IAS 19 "Employee benefits" standard.

Family allowances

The civil servants of De Post-La Poste (both active and pensioners) with children at their charge (youths and disabled) receive a family allowance from Office National d'Allocations Familiales pour Travailleurs Salariés (ONAFTS) – Rijksdienst voor Kinderbijslag voor Werknemers (RKW). These costs are then re-invoiced to De Post-La Poste.

Transportation

Inactive civil servants as well as their family members are entitled to personal vouchers that can be exchanged for a transport ticket for a trip in Belgium or for a price reduction on other transport tickets. Following the death of an affiliated worker or retired worker, the spouse and children continue to receive this benefit under some conditions.

Bank

All active members, pre-pensioners and pensioners that have a "Postcheque" account where their salary/pension is paid on, benefit from a reduction of the fees charged on the current account as well as favorable interest rates on savings accounts, savings certificates, investment funds and loans.

LONG-TERM EMPLOYEE BENEFITS

Long-term employee benefits include accumulated compensated absences, pension saving days and part-time benefits.

Accumulated Compensated Absences

Civil servants are entitled to 21 sick-days per year. During these 21 days and if they have received the appropriate note from a doctor, they receive 100% of their salary. If any given year, a civil servant is absent less than 21 days, the balance of the un-used sickness days is carried over to the following years up to a maximum of 300 days (as from 2006). Employees who are ill for more than 21 days during a year will first use up the year's allotment and then use the days carried over from previous years as per their individual account.

During this period, they will receive their full salary. Once the allotment of the year and the days carried over are used up, they receive reduced payments.

Both the full salary paid under the "sick days" scheme and the reduced payments beyond that are costs incurred by De Post-La Poste.

There have been no modifications to the calculation methodology comparatively to 2008. The valuation is based on the future "projected payments/cash outflows". These are calculated for the totality of the population considered, based on a certain "consumption" pattern, derived from the statistics over the first eleven months of 2009 (projected on 12 months), as provided by the human resource department. Since 2008, the individual notional accounts are projected per person and decreased by the actual number of days of illness (instead of average case valuation previously).

The annual payment is the number of days used (and limited by the number of days in the savings account) multiplied by the difference between the projected salary (increased with social charges) at 100% and the reduced payments. The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

Pension saving days

In 2009, this benefit is valued in accordance with the IAS 19 standard. Before 2009, this was recorded as an accrual and shown in payroll and social security payables under the section 'Current trade and other payables' (See Note 9).

Civil servants have the possibility to convert the non used sick days above the 300 days in their 'notional' account (see above "Accumulated Compensated Absences " benefit) in pension saving days (7 sick days per 1 pension saving day) and to convert each year a maximum of 3 days of extra-legal holidays. Contractual employees are entitled to a maximum of 2 pension saving days per year and have the possibility to convert each year a maximum of 3 days of extra-legal holidays. The pension saving days are accumulated year over year and can be used as from the age of 50.

The methodology of valuation is based on the same approach as the benefit "Accumulated Compensated Absences". The valuation is based on the future "projected payments/cash outflows". These are calculated for the totality of the population considered, based on a certain "consumption" pattern, derived from the statistics over the first eleven months of 2009, as provided by the human resource department. The individual "pension saving days" accounts are projected per person and decreased by the actual number of used pension saving days.

The annual payment is the number of pension saving days used multiplied by the projected daily salary (increased with social charges, holiday pay, end of year premium, management and integration premium). The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

Part-time regime (50+)

Under the CLA covering the years 2005-2006 and the CLA of 2007-2008, statutory employees, aged between 50 and 59, are entitled to enter into a system of partial (50%) career interruption. This benefit has been extended in the CLA 2009-2010 signed on 16 July 2009. De Post-La Poste makes contributions equal to 7.5% of the gross annual salary for a period of a maximum of 48 months.

TERMINATION BENEFITS

Early Retirement

Under the CLA of 2007-2008, civil servants meeting certain age and service conditions could elect to enter into early-retirement schemes whereby De Post-La Poste continues to pay them a portion of their salary at departure and until they reach retirement age. Furthermore, employees meeting certain age and service conditions could elect to benefit from a year of paid holiday the year preceding their entry into the early retirement scheme.

At the end of 2009, a new early-retirement plan has been negotiated in the framework of Collective Labor Agreement 2009-2010. This plan will be accessible to the employees meeting certain age and function conditions. It is based on the existing scheme of the CLA 2007-2008.

Career Interruption 100%

The plan of the CLA 2007-2008 has been terminated as from 31 December 2008 and the liability is null as from 1 January 2009.

OTHER LONG-TERM BENEFITS

Workers Compensation Accident Plan

Until 1 October 2000, De Post-La Poste was self-insured for injuries on the workplace and on the way to the workplace. As a result, all compensations to workers for accidents which occurred before 1 October 2000 are incurred and financed by De Post-La Poste itself.

Since 1 October 2000, De Post-La Poste has contracted insurance policies to cover the risk.

De Post-La Poste's net liability for employee benefits comprises the following at 31 December:

	2009	2008 (*) COMPARABLE
FOR THE YEAR ENDED 31 DECEMBER		
IN MILLION EUR		
Present value of funded obligations	(400.3)	(534.3)
Fair value of plan assets	-	0.8
Present value of net obligations for funded plan	(400.3)	(533.6)
Present value of net obligations	(400.3)	(533.6)
Unrecognized actuarial (gains)/losses	29.2	(10.8)
Net liability	(371.1)	(544.3)
Employee benefits amounts in the statement of financial position		
Liabilities	(371.1)	(544.3)
Net liability	(371.1)	(544.3)

(*) The figures in the financial statements for the year 2008 were adapted to ensure comparability in presentation (see note 9)

The changes in the present value of the obligations are as follows:

	2009	2008 (*) COMPARABLE
IN MILLION EUR		
Present value at 1 January	(534.3)	(619.5)
Service cost	(40.0)	(17.5)
Interest cost	(21.1)	(25.3)
Past service (cost)/gain	(0.1)	33.8
Actuarial gains	36.8	68.4
Benefits paid	66.6	71.9
Curtailed and settlement (loss)/gain	91.8	14.3
Reclassification	-	(60.5)
Defined benefit obligation at 31 December	(400.3)	(534.3)

(*) The figures in the financial statements for the year 2008 were adapted to ensure comparability in presentation (see note 9)

The expense recognized in the income statement is presented hereafter:

	2009	2008
FOR THE YEAR ENDED 31 DECEMBER		
IN MILLION EUR		
Service cost	(40.0)	(17.5)
Interest cost	(21.1)	(25.3)
Past service (cost)/gain	(0.1)	33.8
Actuarial gains and (losses)	148.8	77.1
Financial	(2.4)	16.4
Other	151.2	60.7
Net expense	87.7	68.1

In 2009, the service cost includes the non-recurring charge of the new early retirement plan estimated at 19.4 million EUR.

	2009	2008
FOR THE YEAR ENDED 31 DECEMBER		
IN MILLION EUR		
Payroll costs	111.2	77.0
Financial cost	(23.5)	(8.8)
Net expense	87.7	68.1

Interest costs and financial actuarial gains of losses have been recorded as financial costs. All other expenses summarized above were included in the income statement line item "Payroll costs". De Post-La Poste recognizes all actuarial gains and losses in accordance with the corridor approach through profit and loss. There are no fixed contribution plans.

The main assumptions used in computing the benefit obligations at the statement of financial position date are the following:

	2009	2008
Rate of inflation	1.9%	2.0%
Future salary increase	2.9%	3.0%
Medical cost trend rate	NA	5.0%
Mortality tables	MR/FR	MR/FR

The fair value of the plan assets held by the "Service Social des Postes" can be reconciled as follows:

	2009	2008
IN MILLION EUR		
Fair value of plan assets at 1 January	0.8	1.3
Contributions by employer	-	4.9
Benefits paid	(0.8)	(5.4)
Fair value of plan assets at 31 December	-	0.8

Last year, in the context of the financial crisis, De Post-La Poste decided to adopt the discount rates as at 31 December 2008, on the basis of non financial bonds only.

This year, considering the current economic situation, the discount rates have been determined by reference to market yields at the statement of financial position date on a mix of financial and non financial AA corporate bonds. They range from 4.0% to 5.6% (2008: 4.5% to 5.6%).

10.24 SHARE-BASED PAYMENTS

In 2006, the Board of De Post-La Poste approved the creation of an Employee Stock Option Plan ('ESOP') for the Management. Under this plan, De Post-La Poste has granted in 2006, 2007 and 2008 options to purchase shares in the company to the management. Once granted, the options vest one-third per year over a period of three years.

At 31 December 2009, 76 senior managers, including the CEO and the Management Committee, benefit from the option plan.

The fair value of the option is expensed over the vesting period. In accordance with IFRS 2, the fair value of the options is determined using the Binomial Option Pricing Model. The charge to the 2009 income statement amounted to 0.4 million EUR (2008: 3 million EUR). All share-based employee remunerations are accounted following the cash-settled methodology. There have been no modifications to the terms of the share-based payments plan during 2009.

The total number of outstanding options is as follows:

	2009	2008
IN NUMBER		
Options outstanding at 1 January	4,452.0	2,724.0
Options granted during the year	-	2,262.0
Options exercised during the year	(589.0)	(416.0)
Options forfeited during the year	-	(40.0)
Options out due to bad leavers	(175.0)	(78.0)
Options outstanding at 31 December	3,688.0	4,452.0

	2009	2008
Number of persons at 1 January	80.0	60.0
IN	-	20.0
OUT	(4.0)	-
Number of persons at 31 December	76.0	80.0

The fair value of the options and the assumptions used in applying the Binomial Option pricing model are as follows:

	2009	2008
FOR THE YEAR ENDED 31 DECEMBER		
EUR		
Fair value of options granted	NA	245.2
Exercise price	2,907.0	2,848.0
Expected volatility	39.4%	32.6%
Expected option life (in years)	NA	4Y
Risk-free interest rate	1.7%	3.9%

The fair value of the option granted in 2008 is shown under the scenario of a 100% dividend pay-out of the profit of the year. No options were granted in 2009.

All share options have the same exercise price per granting; there are no "ranges" of exercise prices within a given granting.

From the 3,688 outstanding options at the end of 2009, 493 (remaining options of granted in 2006) have an exercise price of 1,464 EUR and a remaining option life of 1 year, 1,149 options (granted in 2007) have an exercise price of 2,593 EUR and a remaining option life of 2 years, and the other 2,046 options granted in 2008 have an exercise price of 2,848 EUR and an option life of 3 years.

The following put and call option agreements still apply in 2009:

- Alteris NV (subsidiary of De Post NV-La Poste SA) and the beneficiaries of the ESOP have a put and call option agreement pursuant to which Alteris NV can acquire the De Post-La Poste shares, instead of De Post NV-La Poste SA.
- PIE has a call option for the shares that Alteris NV may acquire from the beneficiaries of the ESOP. The exercise price will be the price originally paid by Alteris NV to the beneficiaries.
- Alteris NV has also a put option for the shares it may purchase from the beneficiaries of the ESOP. The price is the lower of the price paid by Alteris NV and the exercise price.
- De Post-La Poste has always a call option towards PIE to purchase the shares relating to the exercised options at a price corresponding to the exercise price.

These options are not revaluated and do not impact the income statement of De Post-La Poste because, in accordance with IAS39, the company cannot have a market risk on its own shares.

10.25 TRADE AND OTHER PAYABLES

NON-CURRENT TRADE AND OTHER PAYABLES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Trade payables	-	2.1
Other payables	14.2	14.2
	14.2	16.3

CURRENT TRADE AND OTHER PAYABLES

FOR THE YEAR ENDED 31 DECEMBER	2009	2008 (*) COMPARABLE
IN MILLION EUR		
Trade payables	179.2	176.8
Payroll and social security payables	350.3	332.5
Tax payable other than income tax	1.8	2.1
Other payables	261.3	393.3
	792.6	904.8

(*) The figures in the financial statements for the year 2008 were adapted to ensure comparability in presentation (see note 9)

The carrying amounts are considered to be a reasonable approximation of the fair value. The other payables included in current trade and other payable include the following items:

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Advance payments on orders	8.3	6.7
Advance received from State	84.3	84.3
Cash guarantees received	5.0	4.9
Accruals	52.6	58.5
Deferred income	55.4	50.5
Deposits received from third parties	28.5	147.2
Other payables	27.4	41.2
Current - Other payables	261.3	393.3

The other payables decreased mainly due to a cash deposit to the Service Social des Postes of 15.8 million EUR, which has been paid in 2009.

The company has no control in the deposits received from third parties and they can vary significantly from year to year.

10.26 PROVISIONS

	LITIGATION	ENVIRONMENT	ONEROUS CONTRACTS	RESTRUC- TURING	OTHER	TOTAL
IN MILLION EUR						
Balance at 1 January 2008	54.3	1.7	13.4	5.7	21.2	96.3
Additional provisions recognized	22.2	-	2.9	0.2	55.9	81.2
Provisions used	(0.6)	(0.0)	(10.1)	(0.6)	(0.1)	(11.4)
Provisions reversed	(5.2)	-	(3.7)	(3.0)	(0.0)	(12.0)
Other movements	(0.5)	-	-	-	-	(0.5)
Disposals through the sale of subsidiaries	-	-	-	-	-	-
Balance at 31 December 2008	70.2	1.7	2.5	2.3	77.0	153.8
Non-current balance at end of year	67.5	1.2	0.6	0.1	29.3	98.7
Current balance at end of year	2.7	0.5	1.9	2.2	47.8	55.1
	70.2	1.7	2.5	2.3	77.0	153.8

	LITIGATION	ENVIRONMENT	ONEROUS CONTRACTS	RESTRUC- TURING	OTHER	TOTAL
IN MILLION EUR						
Balance at 1 January 2009	70.2	1.7	2.5	2.3	77.0	153.8
Additional provisions recognized	32.4	0.3	1.2	2.9	0.4	37.2
Provisions used	(0.3)	(0.0)	(1.0)	(0.6)	(40.0)	(42.0)
Provisions reversed	(3.7)	-	(1.0)	(0.2)	(13.6)	(18.5)
Other movements	-	-	-	-	-	-
Disposals through the sale of subsidiaries	-	-	-	-	-	-
Balance at 31 December 2009	98.5	1.9	1.7	4.3	24.0	130.5
Non-current balance at end of year	96.2	0.4	0.2	1.0	0.2	98.0
Current balance at end of year	2.3	1.5	1.5	3.3	23.8	32.5
	98.5	1.9	1.7	4.3	24.0	130.5

The provision for **litigation** represents a best estimate of the probable losses resulting from litigation or probable litigation between De Post-La Poste and third parties. The period anticipated for the cash outflows pertaining thereto is dependent on developments in the length of the underlying proceedings.

The provision related to **environment** issues covers among others the soil sanitation of land.

The provision on **onerous contracts** concerns the best estimate of the costs relating to the closing of mail and retail offices.

The provision for **restructuring** mainly covers restructuring costs for the Taxipost business (1.3 million EUR), eXbo (2.1 million EUR), Corpco (0.2 million EUR) and MG Road (0.6 million EUR)

Other provisions decrease by 53.1 million EUR mainly attributable to:

- an utilization of 35.9 million EUR of the provision recorded to reflect the potential cost of buying out a number of allowances paid to personnel and
- a reversal of 13.1 million EUR relating to the "RoE" risk with the BPO.

10.27 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

De Post-La Poste monitors capital on the basis of the ratio of the carrying amount of equity versus net debt.

The elements composing the equity for this ratio are the same as stated in the equity reconciliation.

Net debt is composed of loans less investment securities and cash and cash equivalents.

The ratio is calculated as [Net debt/Capital].

Currently, De Post-La Poste has not established a formal set of upper and lower limits for this ratio, given the absence of any significant loans up until December 2009 (except EIB loan). The main objectives for the capital management are to ensure the company's ability to continue as a going concern and to provide an adequate return to shareholders.

The table below details the elements of the monitoring ratio.

FOR THE YEAR ENDED 31 DECEMBER	2009	2008
IN MILLION EUR		
Capital		
Issued capital/ Authorized capital	783.8	783.8
Other reserves	57.2	(75.6)
Retained earnings	290.9	221.8
Non-controlling interests	0.7	0.2
Total	1,132.5	930.1
Net Debt		
Interest bearing loans and borrowings	101.8	102.6
Non-interest bearing loans and borrowings	112.8	231.5
- Investment securities	(125.3)	(1,111.5)
- Cash and cash equivalents	(1,080.3)	(198.5)
Total	(990.9)	(975.9)
Net Debt to Capital ratio	(0.9)	(1.1)

The non-interest bearing loans and borrowings include advances received from the State (84.3 million EUR) and the deposits received from third parties (28.5 million EUR) both recorded under other current payables.

10.28 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

By a judgment dated 10 February 2009, the General Court annulled, on procedural grounds, the decision of the European Commission of 23 July 2003, which had approved a 297.5 million EUR capital increase and certain other State measures in favor of De Post-La Poste.

On 22 April 2009, the Belgian State brought an appeal against this judgment before the Court of Justice of the European Union. This appeal, which does not suspend the 10 February 2009 judgment, is currently pending.

As a consequence of the 10 February 2009 judgment, the Commission on 13 July 2009 launched a formal State aid investigation into the 2003 capital increase and other 1992-2002 measures covered by the Commission's annulled 23 July 2003 decision. The Commission also broadened the scope of the investigation by extending it to State compensation for public services and certain other State measures over the entire 1992-2010 period.

This investigation is currently pending and several written and oral exchanges have already taken place with the Commission's case team. It cannot at this time be assessed with a sufficient degree of certainty whether or not the Commission will conclude that De Post-La Poste has received any State aid that is incompatible with the common market and order the recovery of such aid. It is not possible to estimate the financial effect of this contingency.

De Post-La Poste is currently involved in a number of legal and administrative procedures, amongst which the procedures as described below.

INQUIRY BY THE BELGIAN COMPETITION AUTHORITY

Following the complaints posed by customers of De Post-La Poste, the Belgian Competition Authority started two investigations into certain activities of De Post-La Poste. De Post-La Poste has given its full cooperation to these investigations, but contests it (De Post-La Poste) is in breach of the competition laws.

A plaint entered in 2005 states De Post-La Poste is abusing its dominant position by imposing alleged discriminating tariffs between wholesalers/subcontractors and direct clients of De Post-La Poste regarding addressed publicity mailings ("Direct Mail"). This alleged discriminating tariffication is claimed to coincide with the illicit takeover of customers of the wholesalers/subcontractors.

At the end of 2006, De Post-La Poste has elaborately answered the issues of this complaint. Since then, De Post-La Poste has received two additional requests for information from the Competition Administration, to which De Post-La Poste has replied within the term imposed.

In December 2009, De Post-La Poste received a request for information from the Competition Authorities, following another complaint by one of De Post-La Poste's clients with the Competition Authorities. De Post-La Poste has not yet received a copy of this complaint. The company has replied within the determined term imposed to this request for information.

Both investigations are still in an early stage. The 'Auditoraat', which leads the investigations, can either reject the complaints or submit a motivated report to the 'Raad voor de Mededinging'. If the 'Auditoraat' were to submit the case to the 'Raad', after having heard the point of view of De Post-La Poste and would conclude that this is a case of abuse of De Post-La Poste's dominant position, the 'Raad' could impose a fine of maximum 10% of the annual turnover of De Post-La Poste.

DISPUTE WITH A CUSTOMER

On 27 October 2005, De Post-La Poste was subpoenaed by the Trade Court of Brussels on request of a customer involved in preparatory postal activities ("routage"). This customer claims De Post-La Poste is abusing its dominant position in the market to impose alleged discriminatory tariffs between wholesalers/subcontractors and direct clients of De Post-La Poste regarding addressed publicity mailings ("Direct Mail").

The customer states to have suffered losses as a result of this abuse and claims in his complaint a provisional amount of 8 million EUR, to be increased with interests as from 1 January 1995 up till the date of full reimbursement. De Post-La Poste contests this claim to the fullest extent.

The court case has been introduced at the Brussels Trade Court on 10 November 2005, but no new developments have occurred in this case since.

10.29 RIGHTS AND COMMITMENTS

COMMITMENTS FOR SALES OF FIXED ASSETS

The total amount of this commitment is 0.5 million EUR. The amount remains stable compared to 2008.

GUARANTEES RECEIVED

At 31 December 2009, De Post-La Poste benefits from bank guarantees in a sum of 42.5 million EUR, issued by banks on behalf of De Post-La Poste's customers (2008: 44 million EUR). These guarantees can be called in and paid against in the event of non-payment or bankruptcy. They therefore offer De Post-La Poste financial certainty during the period of contractual relations with the customer.

GOODS FOR RESALE ON CONSIGNMENT

At 31 December 2009, merchandise (lottery tickets, etc.) representing a sales value of 21 million EUR had been consigned by partners for the purpose of sale through the postal network. Since there has not been any major change in product offering, as was the case between 2007 and 2008, the amount is in line with previous year.

GUARANTEES GIVEN

De Post-La Poste acts as guarantor in the following case:

- DoMyMove: 3 million EUR guarantee left in the framework of the DoMyMove collaboration agreement between De Post-La Poste, Belgacom and Electrabel.
- Both guarantees reported in 2008 (Commerzbank AG (10 million EUR) and BNP Paribas (15 million EUR) have expired on the 27th of April 2009 and are now equal to 0.
- De Post-La Poste has an agreement with Dexia, by which Dexia agrees to provide for up to 5 million EUR in guarantees for De Post-La Poste upon simple request.

FUNDS OF THE STATE

De Post-La Poste settles and liquidates the financial transactions of government institutions (taxes, VAT, etc.) on behalf of the State. The funds of the State constitute transactions "on behalf of" and are presented off statement of financial position.

10.30 RELATED PARTY TRANSACTIONS

A. CONSOLIDATED COMPANIES

A list of subsidiaries and equity-accounted companies, together with a brief description of their business activities, is provided in Note 10.31.

B. RELATIONS WITH THE SHAREHOLDERS

The direct shareholders of De Post-La Poste are the Belgian State (24.14%), Federale Participatie- en Investeringsmaatschappij NV-Société Fédérale de Participation et d'Investissement SA (25.87%), which itself is also held by the Belgian State, Post Invest Europe Sarl (49.89%), where 100% are indirectly held by CVC Funds, and 457 shares (0.1%) owned by De Post-La Poste's employees under the ESOP plan.

THE BELGIAN STATE

a) Management Contract

De Post-La Poste provides public-interest services to the Belgian State and various government agencies. The Management Contract entered into between De Post-La Poste and the Belgian State, in effect since publication on 20 December 2005 (erratum 16 January 2006) in the Belgian Gazette of the Royal Decree approving the Management Contract, stipulates the rules and conditions for carrying out the tasks that De Post-La Poste assumes in execution of its public-interest activities and the financial intervention of the Belgian State. The Management Contract covers a period of five years as from the date of its publication in the Belgian Gazette.

The Management Contract defines the following public-interest activities:

- Postal services
 - collecting, sorting, transporting and distributing national and international mail;
 - distributing newspapers, printed periodicals and addressed and non-addressed electoral printed documents;
- Financial services
 - recovering receipts on behalf of third parties;
 - receiving deposits of cash on current account, effecting payments by cheque and wire transfers on such accounts, receiving deposits and effecting payments on behalf of De Post-La Poste or other financial institutions
 - issuance of postal orders, home payment of retirement and survivors' pensions and disabled persons' allowances
 - the payment of attendance fees at elections, the printing and sale of license stamps on behalf of the Mixed Administrative Belgo-Luxembourg Commission, the accounting of funds and documents of title for traffic penalties, the distribution and payment of documents of title from the National Office for Annual Holidays
 - the printing, sale, reimbursement, replacement and exchange of fishing licenses
 - guaranteeing the opening of an account without cash facility and offering a minimum service
- Other services:
 - the social role of the postmen
 - appropriate information to the public on request by the competent authority
 - the printing and delivery of electronic mail
 - message certification services
 - the services carried out for State accountants and determination of the daily cash position
 - the sale of revenue and penalty stamps
 - cooperation of De Post-La Poste in the distribution of voting packages and ballot papers
 - cooperation of De Post-La Poste in the printing and distribution of official forms, of offers of employment
 - provision of De Post-La Poste resources for the organization of examinations for accessing public office
 - the provision in post offices of an appropriate infrastructure allowing, via the internet, facilitation of relations between citizens and the government.

The Management Contract sets down the principles for invoicing the Belgian State. The Belgian State's intervention covers the difference between the actual cost price to De Post-La Poste and the price invoiced to the user of the public services.

The procedures for invoicing and liquidation applicable to the public-interest activities carried out by De Post-La Poste for the Belgian State are set down in a separate agreement, in which the Belgian State undertakes to pay for the public services provided by De Post NV-La Poste SA

b) Cashier function

In accordance with the Royal Decree of 15 July 1997 introducing measures for consolidation of the financial assets of public authorities, De Post-La Poste administers the accounts of institutional entities and the accounts in relation to the Postcheque business. These entities form part of the public authorities sector.

The contract of 20 December 2005 lays down the provisions applicable between De Post-La Poste and the Federal Public Service for Finance as regards the organization of movements of funds between the two institutions together with the provision of certain funds administered by De Post-La Poste to the public Treasury.

Under this agreement, two types of funds belonging to public authorities are administered by De Post-La Poste, i.e.:

1. *funds of the State*. De Post-La Poste settles and liquidates the financial transactions of government ministries (taxes, VAT, etc.) on behalf of the State. De Post-La Poste records these amounts off the consolidated statement of financial position;

2. *funds of the Royal Decree of 15 July 1997*. These are the liquidities of parastatal agencies (National Social Security Office, family allowances, etc.) deposited through De Post-La Poste and recorded off the consolidated statement of financial position.

C. RELATIONS WITH BPO

BPO is a jointly controlled subsidiary of De Post-La Poste and Fortis Bank-Fortis Banque, which engages in business as a credit institution. Its banking and insurance products are offered via the network of post offices.

Framework agreement

On 28 February 1995, De Post-La Poste and Generale Bank-Générale de Banque (now Fortis Bank-Fortis Banque) entered into a framework agreement for the purpose of setting up a partnership for the distribution of banking products. The provisions of the framework agreement have been re-negotiated in 2002. BPO pays De Post-La Poste a commission determined in accordance with market conditions for the distribution of banking and insurance products and for the performance of certain back-office activities. The commission amounted to 99.0 million EUR in 2009 (2008: 91.9 million EUR).

Working capital

BPO has placed 9.0 million EUR at the disposal of De Post-La Poste without guarantee or payment of interest by De Post-La Poste. This sum will remain available to De Post-La Poste throughout the term of the framework agreement. It is intended to constitute the working capital enabling De Post-La Poste to conduct business on behalf of BPO.

Insurance contract

An insurance distribution contract has been concluded between De Post NV-La Poste SA, BPO and Fortis Banque.

The parties concerned have agreed to offer and market insurance products via BPO using the distribution network of De Post-La Poste. In effect, up to and including the accounting year 2014, the contract provides for an access fee, a commission on all the insurance products sold by De Post-La Poste and additional commissions if the sales figures laid down are achieved.

D. RELATIONS WITH THE DIRECTORS AND MANAGEMENT

Board of Directors

The Board of Directors is composed of:

- Five directors, including the president of the board of directors, (the category A directors) appointed by the Belgian State by Royal Decree deliberated by the Council of Ministers;
- Four directors (the category B directors) appointed by the other shareholders (i.e. all shareholders except the public authorities); and
- The CEO, who belongs to neither of the aforementioned categories, but appointed by the Belgian State via Royal Decree deliberated by the Council of Ministers.

Martine Durez has been Chairperson of the Board of Directors since 17 January 2006. Besides the Chairperson, the Board is currently composed of the following members:

- Arthur Goethals (A)
- Luc Lallemand (A)
- Christian Leysen (A)
- Jean-François Robe (A)
- Geert Duyck (B)
- K.B. Pedersen (B) *
- Søren Vestergaard - Poulsen (B)
- Bjarne Wind (B)
- Johnny Thijs (Chief Executive Officer)

* K.B. Pedersen has replaced Helge Israelsen as Board member as of 28 August 2009.

The remuneration of the members of the Board of Directors was decided by the General Meeting of Shareholders of 25 January 2000. In 2009 the gross annual remuneration was equal to:

- 35,926.48 EUR for the Chairperson, who also chairs the Joint Industrial Committee (Paritair Comité/Commission Paritaire) of De Post-La Poste (in 2009 this Joint Committee met 15 times);
- 17,963.20 EUR for the other directors, with the exception of the CEO.

The members of the Board (with the exception of the CEO) are entitled to an attendance fee of 1,503.75 EUR per attended meeting of one of the advisory Committees established by the Board. No additional attendance fees or remunerations are foreseen for the attendance of the meetings of the Joint Industrial Committee by the Chairperson of the Board.

Mesrs. Søren Vestergaard-Poulsen and Geert Duyck have waived the attendance fees and other remunerations linked to their position as a Board Member.

CEO and the Management Committee

After deliberation by the Council of Ministers, the CEO is appointed by Royal Decree for a renewable term of six years. If the Chairperson of the Board of Directors is Dutch-speaking, the CEO must be French-speaking and vice-versa. By Royal Decree of 26 February 2008, the mandate of the current CEO, Johnny Thijs, was renewed for a term of six years, effective as of 7 January 2008, upon proposal of the Board and recommendation of the Remuneration Committee.

The CEO is responsible for the operational management of the company. He has powers of day-to-day management that are delegated to him by the Board of Directors and he represents the company within the framework of the day-to-day management and the other powers delegated to him. This representation includes the exercise of the voting rights attached to shares and interests owned by the company.

The CEO is assisted in the management of the company by a Management Committee. The Management Committee also has the statutory powers to negotiate all renewals and amendments to the Management Contract concluded between the State and the Company. Powers at operational level are delegated by the CEO to members of the Management Committee or any other employees of the company.

The Management Committee is currently composed as follows:

- Johnny Thijs: CEO
- Baudouin Meunier: Director Enterprise, Group Marketing & Regulatory
- Mark Michiels: Director Human Resources and Organisation
- Koen Van Gerven: Director Residential, SOHO's & Small Enterprises and ICT
- Pierre Winand: Chief Financial Officer (Finance & Accounting) and Purchasing & Supply Chain

The persons listed below have been granted certain operational responsibilities and are added to the Management Committee:

- Kurt Pierloot: Director Mail & Parcels Operations and Facility Management and Cleaning
- Peter Somers: Director International

They are invited to participate in all meetings of the Management Committee to discuss issues relating to the management of the Company or matters that fall within the scope of their responsibilities.

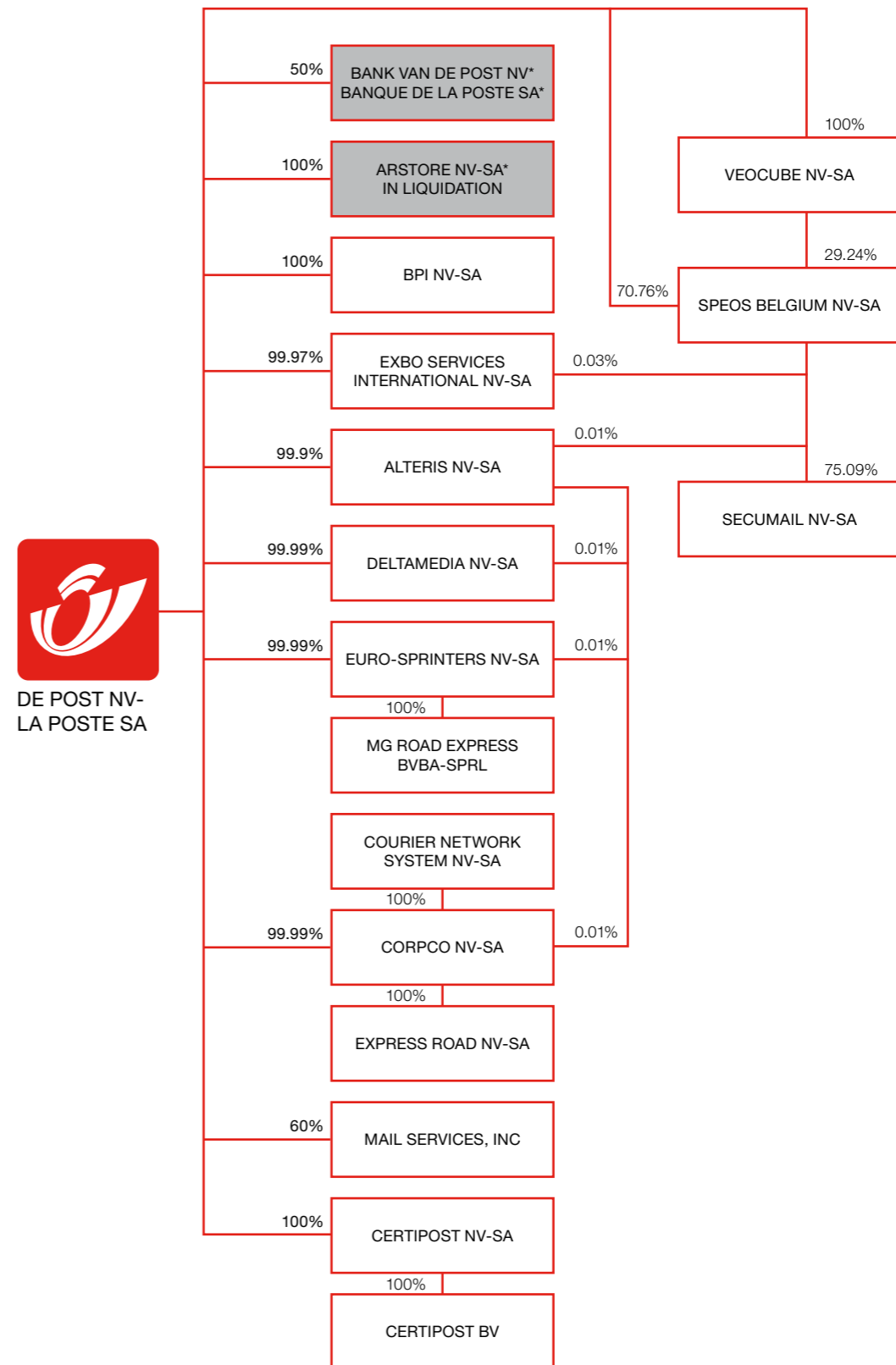
For the year ending 31 December 2009, a remuneration of 1.0 million EUR (2008: 0.9 million EUR) was paid to the CEO. No share options under the Employee Stock Option Plan were awarded in 2009 to the CEO (2008: 261).

A global remuneration of 2.8 million EUR (base salary and bonus) was paid to the other members of the Management Committee, including the persons added to the Committee as mentioned above (2008: 3.2 million EUR).

No share options under the Employee Stock Option Plan were awarded in 2009 to the Management Committee (2008: 546). Finally, the company contributed an aggregate amount of 150,964 EUR in insurance premiums for the group insurance scheme that was subscribed to in favor of the members of the Management Committee.

The Board of Directors, the Advisory Committees of the Board and the Management Committee are assisted by the Corporate Secretary. This position is held by Dirk Tirez, who is also General Counsel of the company.

10.31 GROUP COMPANIES



* equity method

De Post-La Poste's subsidiaries are presented as follows:

Name	SHARE OF VOTING RIGHTS IN% TERMS		COUNTRY OF INCORPORATION	VAT NO.
	2009	2008		
Alteris NV-SA (formerly Laterio NV-SA)	100%	100%	Belgium	BE474.218.449
BPI NV-SA	100%	100%	Belgium	BE889.142.877
Certipost NV-SA	100%	100%	Belgium	BE475.396.406
Corpco NV-SA	100%	100%	Belgium	N/A
Deltamedia NV-SA	100%	100%	Belgium	BE424.368.565
Euro-Sprinters NV-SA	100%	100%	Belgium	BE447.703.597
eXbo Services International NV-SA	100%	100%	Belgium	BE472.598.153
Mail Services, Inc. (*)	60%		USA	
Speos Belgium NV-SA	100%	100%	Belgium	BE427.627.864
Veocube NV-SA (formely Speos Invest NV-SA)	100%	100%	Belgium	BE463.888.444
Certipost BV	100%	100%	Netherlands	NL8102.75.594.B01
Courier Network System NV-SA	100%		Belgium	BE449.540.758
Express Road NV-SA	100%		Belgium	BE432.808.258
Mg Road Express BVBA-SPRL	100%		Belgium	BE454.869.325
Secumail NV-SA (*)	75%	75%	Belgium	BE462.012.780

Note: Until June 2008 De Post-La Poste owned 50% of the shares of Certipost NV and Certipost BV.
(*) The non-controlling interests of 0.7 million EUR shown on the consolidated statement of financial position relate to these subsidiaries.

The business activities of the main subsidiaries can be described as follows:

- The Special Logistics subsidiaries Euro-Sprinters, MG Road Express, Courier Network System and Express Road offer 24/7 tailor-made transportation services for goods up to 24 tons.
- Deltamedia distributes newspapers in Belgium.
- eXbo helps customers to improve the efficiency of their document flows, be they incoming, internal or outgoing documents. eXbo offers to manage mailrooms, digital mail, copy center, printing-on-demand, printed matter, franking, mailings, archives, scanning, reception desk and switchboard, office supplies as well as the management of your printers and faxes.
- Speos Belgium provides services for the outsourcing of administrative and financial document management such as bills, bank statements and pay slips. Services include physical and electronic document management and processing, document scanning, laser edition, enveloping, e-billing, e-viewing and electronic archiving.
- Certipost enables organizations to communicate electronically with any customer, citizen, supplier and public institution, by automating inbound and outbound information flows, streamlining document exchange and by securing and certifying electronic communications. Furthermore, Certipost is supplier of the digital certificates within the Belgian electronic identity card (eID). Certipost offers solutions enabling electronic invoicing, document exchange within the supply chain, e-government with social security and customs, electronic registered mail, electronic security, electronic counters and the use of the electronic identity card within organizations.
- Mail Services Inc. is a US based mail services company which has three distribution centers located in Washington (Sterling), Chicago and Toronto (Canada) that provides international mail & parcel services to businesses. Primarily businesses that send bulk amounts of business mail, publications or packages to a large number of locations all over the world with the majority of deliveries made overseas.

List of equity-accounted investments

Name	SHARE OF VOTING RIGHTS IN% TERMS		COUNTRY OF INCORPORATION	VAT NO.
	2009	2008		
Bank van de Post NV-Banque de La Poste SA	50%	50%	Belgium	BE456.038.471
Arstore NV-SA (formely Vicindo Printing)	100%	100%	Belgium	BE419.892.709
Taxipost NV-SA (*)		100%	Belgium	BE867.722.408

(*) Taxipost NV – SA has been liquidated on 27 May 2009.

The relations with BPO are described in Note 10.30.

10.32 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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

REPORT

OF THE JOINT AUDITORS TO THE GENERAL MEETING OF SHAREHOLDERS OF LA POSTE SA DE DROIT PUBLIC/ DE POST NV VAN PUBLIEK RECHT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

In accordance with legal requirements, we report to you on the performance of our audit mandate of Joint Auditors. This report contains our opinion on the consolidated financial statements as well as the required additional comments and information.

UNQUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS WITH AN EMPHASIS OF MATTER PARAGRAPH

We have audited the consolidated financial statements of La Poste SA de droit public/De Post NV van publiek recht and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2009, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, and the consolidated statement of income, changes in equity and cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of € 2,580.0 millions and the consolidated income statement shows a profit for the year, share of the Group, of € 290.9 millions.

Responsibility of the Board of Directors for the preparation and fair presentation of the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Joint Auditors

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements, and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors ("*Institut des Réviseurs d'Entreprises/Institut der Bedrijfsrevisoren*") and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal

control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the Board of Directors and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the Group's financial position as at 31 December 2009 and of the results of its operations and its cash flows in accordance with IFRS as adopted for use by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Without qualifying our opinion, we draw attention to Note 10.28 to the consolidated financial statements. The European Commission is currently investigating if State Aid has been received by the Group in the past. This investigation is still in a preliminary phase and the ultimate outcome of this matter cannot presently be determined. No provision for any liability, that could result from this investigation, has been made in the consolidated financial statements.

ADDITIONAL COMMENTS

The preparation and the assessment of the information that should be included in the annual report on the consolidated financial statements are the responsibility of the Board of Directors.

Our responsibility is to include in our report the following additional comments and information, which do not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements deals with the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the entities included in the consolidation are facing, and on their situation, their foreseeable evolution or the significant influence of certain facts on their future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 3 March 2010

The Joint Auditors

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Represented by
Pierre Anciaux - Partner



PVMD Bedrijfsrevisoren BCVBA
Represented by
Lieven Delva - Partner

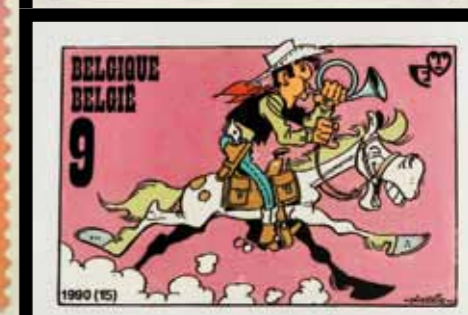
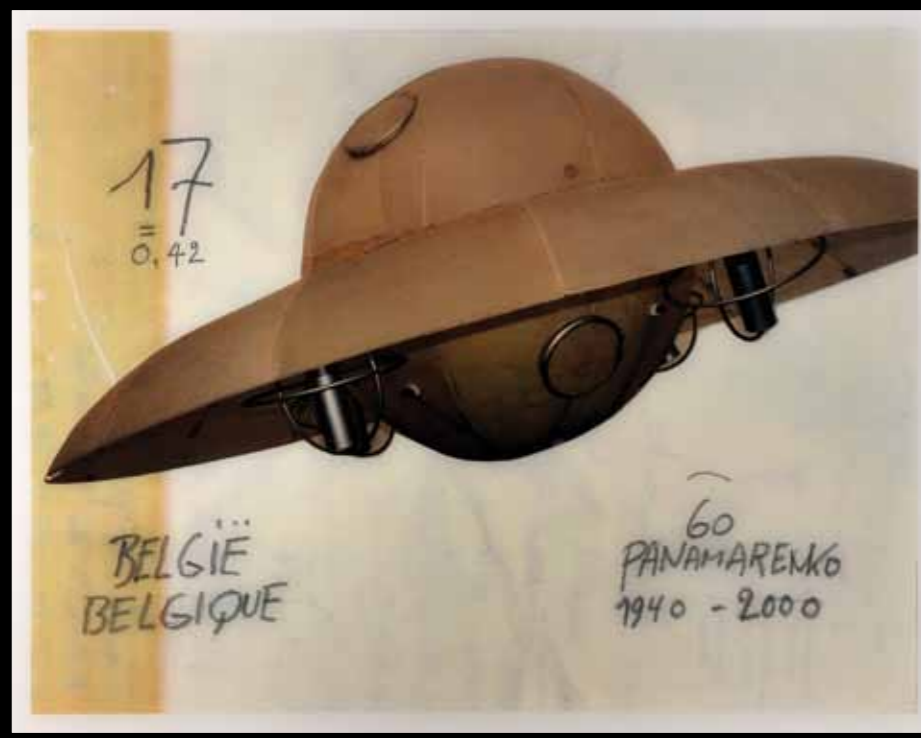


POST ART

The postage stamp has been De Post-La Poste's ambassador for more than 150 years. In the course of our history, many Belgian artists have used their talents to illustrate postage stamps. All these works, real gems of creativity and artistic aptitude, have been used to send mail, but have also proved to be exceptional collector's items.

At the beginning of 2010, De Post-La Poste decided to brighten up its head office with some of these original creations. I am especially delighted that De Post-La Poste visitors and employees are now able to enjoy this rich artistic heritage.

Johnny Thijs



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