

CREDIT SUISSE AG
Form 6-K
April 24, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

April 24, 2013

Commission File Number 001-15244

CREDIT SUISSE GROUP AG

(Translation of registrant's name into English)

Paradeplatz 8, 8001 Zurich, Switzerland
(Address of principal executive office)

Commission File Number 001-33434

CREDIT SUISSE AG

(Translation of registrant's name into English)

Paradeplatz 8, 8001 Zurich, Switzerland
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

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Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-.

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Media Release

Credit Suisse Group 1Q13 results show positive momentum of transformed business model following transition to Basel III on January 1, 2013 – high returns, strong client franchises, reduced cost base and lower risk-weighted assets:

- Underlying* results: Core pre-tax income of CHF 2,032 million, net income attributable to shareholders of CHF 1,462 million and return on equity of 16%
- Reported results: Core pre-tax income of CHF 1,822 million, net income attributable to shareholders of CHF 1,303 million and return on equity of 14%

1Q13 divisional results:

- Solid profitability in Private Banking & Wealth Management with pre-tax income of CHF 881 million compared to CHF 951 million in 1Q12; strong net new assets of CHF 12.0 billion; revenues reflect improved transaction activity, offset by reduced business disposal gains and lower net interest income
- Strong returns in Investment Banking with pre-tax income of CHF 1,300 million compared to CHF 907 million in 1Q12, reflecting stable revenue levels, sustained market share, a reduced cost base and lower capital usage, resulting in a return on Basel III allocated capital of 23%

Continued delivery of capital plan:

- 1Q13 Look-through Swiss Core Capital ratio of 9.6%, and 9.8% on a pro forma basis, assuming completion of remaining capital measures; ratios include pro-rata accrual for resumed cash dividend payments
 - On track to exceed end-2018 requirement of 10% during the middle of 2013

Further progress on cost savings:

- Achieved expense savings of CHF 2.5 billion, excluding certain significant items; on track to reach cost run-rate reduction target of CHF 4.4 billion by end-2015 versus adjusted* annualized 1H11 run-rate

Zurich, April 24, 2013 Credit Suisse Group reports 1Q13 results.

Brady W. Dougan, Chief Executive Officer, said: “With an underlying return on equity of 16% for the first quarter of 2013, we continue to show strong client franchise momentum and generate high returns on a substantially lower risk and cost base. The first quarter of 2013 shows that the strategic measures we have successfully implemented since mid-2011 are effective in bringing results to the bottom line on a consistent basis.”

Commenting on the results of the Private Banking & Wealth Management division, he continued: “Our Private Banking & Wealth Management division generated solid profitability with pre-tax income of CHF 881 million in the first quarter of 2013. Each of the division’s three businesses contributed to our strong net new assets of CHF 12.0 billion in the quarter, reflecting strong growth in Switzerland, Asia Pacific and the Americas, partially offset by continued outflows in Western Europe. The organizational realignment of our integrated Private Banking & Wealth Management division is well on track and we are confident that these efforts will allow us to serve our clients better and more effectively and to further increase our productivity, efficiency and returns in the coming quarters.”

Commenting on the results of the Investment Banking division, he added: “With a return on Basel III allocated capital of 23%, our Investment Banking results for the first quarter of 2013 demonstrate the strength and more balanced performance of our new business model. Our Investment Banking division delivered stable revenues and pre-tax income of CHF 1,300 million on a reduced cost base and lower risk-weighted assets compared to last year’s first quarter. Over the past two years, we have significantly transformed our business portfolio, with the majority of capital and resources allocated to our targeted, high-return businesses.”

Commenting on the strategic development of the Group, he added: “The role of Switzerland as an early mover in defining the new regulatory framework required us to adapt our business model and operations early on. Over the past two years, we have realigned our business model in Investment Banking, significantly reduced costs and risk-weighted assets, adapted the structure of our Private Banking & Wealth Management division and substantially strengthened our capital position. In an industry that still faces substantial restructuring, we have effectively completed the transformation to the new regime and have made material progress in establishing a business model that is stable, high-returning and ready for the new regulatory environment. We now operate under the Basel III standard, have a funding profile that is among the best in the industry with a net stable funding ratio in excess of 100%, and we have a substantially strengthened capital base, with a pro forma Look-through Swiss Core Capital ratio of 9.8%. We are on track to exceed our Look-through Swiss Core Capital ratio target of 10% during the middle of this year and have begun to accrue for cash dividends in respect of our 2013 earnings.”

1Q13 Results Summary

Financial Highlights

in CHF million (unless otherwise stated)	1Q13	4Q12	1Q12
Reported income before taxes (Core Results)	1,822	369	40
Underlying* income before taxes (Core Results)	2,032	1,173	1,484
Reported net income attributable to shareholders	1,303	263	44
Underlying* net income attributable to shareholders	1,462	816	1,055
Reported diluted earnings per share (CHF)	0.76	0.09	0.03
Return on equity attributable to shareholders (annualized)	14.2%	2.9%	0.5%
Underlying* return on equity attributable to shareholders (annualized)	15.9%	8.7%	12.4%
Basel III CET 1 ratio (end of period)	14.6%	14.2%	-
Swiss leverage ratio (Basel III)	3.8%	-	-
Total book value per share (CHF)	28.83	27.44	27.43
Tangible book value per share (CHF)	22.09	20.77	20.41

Private Banking & Wealth Management with 1Q13 net revenues of CHF 3,303 million and pre-tax income of CHF 881 million

- Net revenues were 5% lower compared to 1Q12, primarily driven by the partial sale of an investment in Aberdeen Asset Management (Aberdeen) in 1Q12, and lower net interest income, partially offset by slightly higher recurring commissions and fees. Transaction- and performance-based revenues were stable compared to 1Q12.
- o Wealth Management Clients with 1Q13 pre-tax income of CHF 511 million, with stable net revenues of CHF 2,250 million compared to 1Q12, reflecting higher recurring commissions and fees and other revenues, which offset the adverse impact of the ongoing low interest rate environment.
 - o Corporate & Institutional Clients with 1Q13 pre-tax income of CHF 250 million and net revenues of CHF 520 million, which decreased slightly compared to 1Q12, driven by lower net interest income due to the ongoing low interest rate environment and lower transaction- and performance-based revenues from lower trading and sales income.
- o Asset Management with 1Q13 pre-tax income of CHF 120 million and net revenues of CHF 533 million, down significantly from 1Q12, reflecting gains in 1Q12 from the partial sale of an investment in Aberdeen.
- Net new assets across the Group of CHF 12.0 billion in 1Q13, including strong net new assets of CHF 4.4 billion from the collaboration between our businesses.
- o Wealth Management Clients contributed solid net new assets of CHF 5.5 billion, with continued inflows from emerging markets and from the ultra-high-net-worth individual (UHNWI) client segment, partially offset by continued outflows in Western Europe.
 - o Corporate & Institutional Clients contributed net new assets of CHF 4.5 billion.
- o Asset Management contributed net new assets of CHF 6.4 billion, with inflows mainly in index strategies, multi-asset class solutions and credit products, partially offset by outflows of CHF 2.1 billion from businesses the bank decided to exit.
- Total operating expenses of CHF 2,394 million in 1Q13, 4% lower compared to 1Q12, driven by lower compensation and benefits, reflecting the non-recurrence of the CHF 120 million of PAF2 award expense booked in

1Q12 as well as lower salary expenses mainly due to lower headcount.

Investment Banking with 1Q13 net revenues of CHF 3,945 million and pre-tax income of CHF 1,300 million

- Net revenues were stable compared to 1Q12, reflecting higher revenues in fixed income sales and trading and underwriting and advisory, offset by lower equity sales and trading results.
- o Fixed income sales and trading revenues of CHF 1,987 million were up 3% compared to 1Q12, reflecting resilient performance in our market-leading franchises, including global credit products, securitized products and emerging markets. In addition, we incurred a gain on businesses that the bank is exiting of CHF 4 million compared to a loss of 261 million in 1Q12.
- o Equity sales and trading revenues of CHF 1,297 million were down 5% from 1Q12 due to weaker performance in fund-linked products and convertibles, reflecting less favorable trading conditions. Cash equities and prime services franchises generated strong results.
- o Underwriting and advisory revenues of CHF 763 million increased 3% from 1Q12, driven by higher revenues in both debt and equity underwriting, partially offset by significantly lower mergers and acquisitions (M&A) fees.
- Total operating expenses of CHF 2,651 million declined 13% from 1Q12, driven by lower compensation and benefits, primarily due to lower deferred compensation expense as 1Q12 included a CHF 411 million expense related to the PAF2 awards. The decline was partially offset by higher total other operating expenses mainly due to higher litigation provisions.
 - Return on Basel III allocated capital for Investment Banking was 23% in 1Q13, compared to 13% in 1Q12.
- Basel III risk-weighted assets as of the end of 1Q13 were USD 182 billion; Investment Banking is on track to reach year-end 2013 target of USD 175 billion.

Update on cost savings

As of the end of 1Q13, Credit Suisse delivered cost savings of CHF 2.5 billion, excluding certain significant items, compared to an adjusted* annualized 6M11 run-rate. Credit Suisse remains on track to reach its total run-rate reduction target of CHF 4.4 billion by end-2015. Business realignment costs recognized in the Corporate Center were CHF 92 million for the quarter.

Benefits of the integrated bank

In 1Q13, Credit Suisse generated CHF 1,064 million of collaboration revenues from the integrated bank. This corresponds to 15% of the Group's net revenues in 1Q13.

Capital and funding

As of the end of 1Q13, Credit Suisse's Look-through Swiss Core Capital ratio on a pro forma basis stood at 9.8%, which assumes completion of the remaining measures announced in July 2012. The 1Q13 reported Look-through Swiss Core Capital ratio stood at 9.6%. Credit Suisse is confident it will exceed the Swiss end-2018 requirement of 10% during the middle of 2013 and accordingly, the calculation of these ratios includes pro-rata accrual for the resumption of an expected cash dividend in respect of 2013. The additional strategic divestments and remaining capital measures that were part of the capital plan are on track to be completed in the near term.

Effective January 1, 2013, the Basel II.5 framework under which Credit Suisse operated was replaced by the Basel III framework, which was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. As of the end of 1Q13, Credit Suisse reported a Basel III common

equity tier 1 (CET 1) ratio of 14.6%, up 0.4 percentage points from 4Q12, reflecting increased CET1 capital and an increase in RWA.

In October 2012, Credit Suisse announced targeted measures to further reduce total balance sheet assets by CHF 130 billion or 13% to below CHF 900 billion by end-2013 on a foreign-exchange neutral basis compared to end-3Q12. As of the end of 1Q13, total balance sheet assets amounted to CHF 947 billion, up CHF 23 billion from 4Q12, driven primarily by a foreign exchange translation impact. As of the end of 1Q13, Credit Suisse's Swiss leverage ratio stood at 3.8%.

Credit Suisse is continuing to conservatively manage its liquidity, with an estimated long-term net stable funding ratio (NSFR) in excess of 100% under the current FINMA framework and short-term liquidity under Swiss regulations in excess of requirements as of the end of 1Q13.

Segment Results Detail

Segment Results in CHF million		1Q13	4Q12	1Q12	Change in % vs. 4Q12	Change in % vs. 1Q12
Private Banking & Wealth Management	Net revenues	3,303	3,334	3,485	(1)	(5)
	Provision for credit losses	28	68	39	(59)	(28)
	Total operating expenses	2,394	2,355	2,495	2	(4)
	Income before taxes	881	911	951	(3)	(7)
Investment Banking	Net revenues	3,945	2,664	3,959	48	0
	Provision for credit losses	(6)	2	(5)	-	20
	Total operating expenses	2,651	2,364	3,057	12	(13)
	Income before taxes	1,300	298	907	336	43

Private Banking & Wealth Management

Private Banking & Wealth Management, which comprises the global Wealth Management Clients business, the Swiss Corporate & Institutional Clients business and the global Asset Management business, reported pre-tax income of CHF 881 million and net revenues of CHF 3,303 million in 1Q13. Net revenues were 5% lower compared to 1Q12, driven by lower other revenues and lower net interest income, partially offset by slightly higher recurring commissions and fees. Other revenues declined compared to 1Q12, which included a gain of CHF 178 million from the partial sale of an ownership interest in Aberdeen. Compared to 4Q12, net revenues were stable, as higher other revenues and higher recurring commissions and fees were offset by lower transaction- and performance-based revenues and lower net interest income.

Total operating expenses of CHF 2,394 million were 4% lower compared to 1Q12, with lower compensation and benefits, mainly reflecting deferred compensation expense from the CHF 120 million of PAF2 awards granted in 1Q12 and lower headcount. Compared to 4Q12, total operating expenses were slightly higher, as higher compensation and benefits were partially offset by lower general and administrative expenses.

The Wealth Management Clients business in 1Q13 reported pre-tax income of CHF 511 million with net revenues of CHF 2,250 million, which were stable compared to 1Q12. Lower net interest income was offset by slightly higher

recurring commissions and fees, including higher investment account and services fees, slightly higher banking services fees and lower investment product management fees. Compared to

4Q12, net revenues rose slightly, driven by higher recurring commissions and fees, including seasonally higher banking services fees, higher discretionary mandate management fees, and higher other revenues and transaction- and performance-based revenues, partially offset by lower net interest income. In 1Q13, the gross margin was 110 basis points, 8 basis points lower than in 1Q12, reflecting a continued adverse interest rate environment, a conservative asset mix and the impact of growth in the UHNWI client segment and the emerging markets. Compared to 4Q12, the gross margin was stable.

The Corporate & Institutional Clients business, which provides comprehensive coverage for all the financial services needs of corporate and institutional clients in Switzerland and for banks worldwide, reported pre-tax income of CHF 250 million in 1Q13, with net revenues of CHF 520 million, 3% lower than in 1Q12 and 5% lower than in 4Q12. Total operating expenses in 1Q13 were 4% lower compared to 1Q12 and 6% lower than in 4Q12. Provision for credit losses was CHF 9 million in 1Q13 on a net loan portfolio of CHF 62.2 billion, reflecting a well-diversified credit portfolio and strong risk management.

The Asset Management business reported pre-tax income of CHF 120 million with net revenues of CHF 533 million in 1Q13, down 24% from 1Q12, driven by a gain of CHF 178 million in 1Q12 from the partial sale of an ownership interest in Aberdeen, partially offset by higher performance fees and placement fees in 1Q13. Net revenues were 8% lower than in 4Q12, driven by lower fee-based revenues, reflecting decreases in performance fees and carried interest and placement fees, which more than offset higher investment-related gains in 1Q13.

Investment Banking

Investment Banking reported net revenues of CHF 3,945 million and pre-tax income of CHF 1,300 million in 1Q13. Investment Banking delivered strong results in 1Q13, reflecting stable revenues, broadly sustained market share, a reduced cost base and lower capital usage compared to 1Q12. Net revenues were stable compared to 1Q12, as higher fixed income sales and trading and underwriting and advisory results were offset by lower equity sales and trading revenues. Compared to 4Q12, net revenues were substantially higher, driven by seasonally stronger first quarter results in fixed income sales and trading and equity sales and trading.

Fixed income sales and trading revenues of CHF 1,987 million were slightly higher compared to 1Q12, reflecting the resilient performance of the bank's market-leading franchises in fixed income, including global credit products, securitized products and emerging markets. In addition, a gain of CHF 4 million was incurred on businesses that the bank is exiting, compared to losses of CHF 261 million in 1Q12. Revenues were substantially higher relative to 4Q12, driven by a seasonally stronger first quarter, reflecting improved results across most of our fixed income businesses.

Equity sales and trading revenues of CHF 1,297 million were 5% lower relative to 1Q12, driven by weaker performance in fund-linked products and convertibles, reflecting less favorable trading conditions. The cash equities and prime services franchises generated strong results in 1Q13. Revenues were substantially higher compared to 4Q12, as improved trading volumes and client activity led to higher revenues across most of our equities businesses.

Underwriting and advisory revenues of CHF 763 million were 3% higher compared to 1Q12, as higher debt and equity underwriting revenues were partially offset by significantly lower M&A fees. Relative to 4Q12, revenues declined 22% across advisory and debt and equity underwriting following strong activity in 4Q12.

Compensation and benefits decreased by CHF 528 million, or 26%, compared to 1Q12, primarily due to lower deferred compensation expense, as 1Q12 included CHF 411 million of expenses related to PAF2 awards. Compensation and benefits increased by CHF 313 million, or 27%, from 4Q12, mainly driven by higher discretionary performance-related compensation expense, reflecting higher results. Total other operating expenses increased 12% compared to 1Q12, mainly due to higher litigation provisions. Compared to 4Q12, total other operating expenses decreased 2%, primarily driven by lower professional fees, including legal fees, mostly offset by higher litigation provisions.

Corporate Center

The Corporate Center recorded a loss before taxes of CHF 359 million in 1Q13, including fair value charges on own debt of CHF 37 million, debit valuation adjustment losses on certain structured note liabilities of CHF 41 million and fair value charges on stand-alone derivatives of CHF 2 million, resulting in overall losses on such items of CHF 80 million in the quarter. This compares to a loss before taxes of CHF 1,818 million in 1Q12 and a loss before taxes of CHF 840 million in 4Q12. The loss before taxes in the Corporate Center in 1Q13, excluding the above items, losses on business sales of CHF 80 million and business realignment costs of CHF 92 million, was CHF 107 million.

*Underlying and adjusted results are non-GAAP financial measures. For a reconciliation of the underlying results to the most directly comparable US GAAP measures, see Annex A “Reconciliation to underlying results – Core Results” of this media release. For further information on the calculation of the cost run-rate on an adjusted annualized basis, see the 1Q13 Results Presentation Slides.

1Q13 Financial Release

The 1Q13 Financial Release and the related Results Presentation Slides are available for download from 06:45 CEST today.

The Financial Release is available for download at:

https://www.credit-suisse.com/investors/doc/csg_financialreport_1q13.pdf

Hard copies of the Financial Release can be ordered free of charge at:

<https://publications.credit-suisse.com/app/shop/index.cfm?fuseAction=OpenShopCategory&coid=219303&lang=EN>

The Results Presentation Slides are available for download at:

https://www.credit-suisse.com/investors/doc/csg_1q2013_slides.pdf

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Credit Suisse AG

Credit Suisse AG is one of the world's leading financial services providers and is part of the Credit Suisse group of companies (referred to here as 'Credit Suisse'). As an integrated bank, Credit Suisse offers clients its combined expertise in the areas of private banking, investment banking and asset management. Credit Suisse provides advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth

private clients globally, as well as to retail clients in Switzerland. Credit Suisse is headquartered in Zurich and operates in over 50 countries worldwide. The group employs approximately 46,900 people. The registered shares (CSGN) of Credit Suisse's parent company, Credit Suisse Group AG, are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at www.credit-suisse.com.

Cautionary statement regarding forward-looking information

This press release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, objectives or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as “believes,” “anticipates,” “expects,” “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable securities laws. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
 - market and interest rate fluctuations and interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery or downturn in the US or other developed countries in 2013 and beyond;
- the direct and indirect impacts of continuing deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic objectives, including improved performance, reduced risks, lower costs, and more efficient use of capital;
 - the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;
 - political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
 - operational factors such as systems failure, human error, or the failure to implement procedures properly;
- actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
 - the effects of changes in laws, regulations or accounting policies or practices;
 - competition in geographic and business areas in which we conduct our operations;
 - the ability to retain and recruit qualified personnel;
 - the ability to maintain our reputation and promote our brand;
 - the ability to increase market share and control expenses;
 - technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;

- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
 - the adverse resolution of litigation and other contingencies;
 - the ability to achieve our cost efficiency goals and cost targets; and
 - our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in “Risk Factors” in I – Information on the company in our Annual Report 2012.

Capital and liquidity disclosures

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss “Too Big to Fail” legislation and regulations thereunder. Our related disclosures are in accordance with our current interpretation of such requirements, including relevant assumptions. We have calculated our Basel III net stable funding ratio (NSFR) based on the current FINMA framework. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown herein. In addition, we have calculated our 1Q13 pro forma Look-through Swiss Core Capital assuming the successful completion of the remaining CHF 0.6 billion of capital measures we announced in July 2012. The calculation of Investment Banking’s return on Basel III allocated capital assumes a 25% tax rate and capital allocated at 10% of Basel III risk-weighted assets.

Presentation of Credit Suisse Group's 1Q13 results via audio webcast and telephone conference

Date Wednesday, April 24, 2013

Time 09:00 Zurich / 08:00 London / 03:00 New York

Speakers Brady W. Dougan, Chief Executive Officer
David Mathers, Chief Financial Officer
The presentations will be held in English.

Audio webcast www.credit-suisse.com/results

Telephone Switzerland: +41 44 580 40 01
Europe: +44 1452 565 510
US: +1 866 389 9771
Reference: Credit Suisse Group quarterly results

Q&A session Following the presentations, you will have the opportunity to ask questions via the telephone conference.

Playback Replay available approximately two hours after the event by visiting www.credit-suisse.com/results or by dialing:
Switzerland: +41 44 580 34 56
Europe: +44 1452 550 000
US: +1 866 247 4222
Conference ID: 33812027#

Reconciliation to underlying results – Core Results

Underlying results are non-GAAP financial measures that exclude valuation impacts from movements in own credit spreads and certain other items included in our reported Core Results. Management believes that underlying results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our underlying Core results to the most directly comparable US GAAP measures.

> Refer to “Core Results”, “Private Banking & Wealth Management” and “Investment Banking” in the 1Q13 Financial Release and prior Financial Reports for the periods indicated for further information.

in	1Q13	4Q12	1Q12	2012
Reconciliation (CHF million)				
Net revenues - as reported	7,117	5,721	5,878	23,606
Fair value impact from movements in own credit spreads	68	372	1,554	2,912
Realignment costs	–	–	–	15
Gain on sale of stake in Aberdeen Asset Management	–	–	(178)	(384)
Gain on sale of a non-core business from the integration of Clariden Leu	–	–	–	(41)
Impairment of Asset Management Finance LLC and other losses	–	30	–	68
Gain on sale of real estate	–	(151)	–	(533)
Gain on sale of Wincasa	–	(45)	–	(45)
Losses/(gains) on planned sale of certain private equity investments	(13)	82	–	82
Loss on sale of JO Hambro	46	–	–	–
Net revenues - underlying	7,218	6,009	7,254	25,680
Provisions for credit losses	22	70	34	170
Total operating expenses - as reported	5,273	5,282	5,804	21,557
Fair value impact from movements in own credit spreads	(12)	(4)	–	(27)
Realignment costs	(92)	(285)	(68)	(665)
Certain litigation provisions	–	(227) ¹	–	(363) ²
Legal fees relating to planned sale of certain private equity investments	(5)	–	–	–
Total operating expenses - underlying	5,164	4,766	5,736	20,502
Income before taxes - underlying	2,032	1,173	1,484	5,008
Income tax expense/(benefit) - as reported	510	100	(16)	496
Fair value impact from movements in own credit spreads	13	72	444	678
Realignment costs	29	95	21	203
Gain on sale of stake in Aberdeen Asset Management	–	–	(32)	(58)

Gain on sale of a non-core business from the integration of Clariden Leu	–	–	–	(4)
Impairment of Asset Management Finance LLC and other losses	–	12	–	27
Gain on sale of real estate	–	(31)	–	(88)
Losses/(gains) on planned sale of certain private equity investments	(6)	10	–	10
Certain litigation provisions	–	93 ¹	–	133 ²
Loss on sale of JO Hambro	13	–	–	–
Legal fees relating to planned sale of certain private equity investments	2	–	–	–
Income tax expense/(benefit) - underlying	561	351	417	1,397
Net income attributable to noncontrolling interests	9	6	12	34
Net income attributable to shareholders - underlying	1,462	816	1,055	3,577
Statement of operations metrics - underlying (%)				
Return on equity attributable to shareholders - underlying	15.9	8.7	12.4	10.0
Cost/income ratio - underlying	71.5	79.3	79.1	79.8

1
Consists of litigation provisions related to National Century Financial Enterprises, Inc. (NCFE).

2
Includes CHF 136 million (CHF 96 million after tax) related to significant Investment Banking litigation provisions in 3Q12 and CHF 227 million (CHF 134 million after tax) NCFE-related litigation provisions in 4Q12.

Consolidated statements of operations (unaudited)

in	1Q13	4Q12	1Q12
Consolidated statements of operations (CHF million)			
Interest and dividend income	4,824	4,843	5,295
Interest expense	(3,017)	(2,903)	(3,411)
Net interest income	1,807	1,940	1,884
Commissions and fees	3,346	3,547	3,172
Trading revenues	1,815	(147)	189
Other revenues	220	460	802
Net revenues	7,188	5,800	6,047
Provision for credit losses	22	70	34
Compensation and benefits	3,024	2,720	3,711
General and administrative expenses	1,754	2,122	1,653
Commission expenses	497	456	451
Total other operating expenses	2,251	2,578	2,104
Total operating expenses	5,275	5,298	5,815
Income before taxes	1,891	432	198
Income tax expense/(benefit)	510	100	(16)
Net income	1,381	332	214
Net income attributable to noncontrolling interests	78	69	170
Net income attributable to shareholders	1,303	263	44
Earnings per share (CHF)			
Basic earnings per share	0.78	0.09	0.03
Diluted earnings per share	0.76	0.09	0.03

Consolidated balance sheets (unaudited)

end of	1Q13	4Q12	1Q12
Assets (CHF million)			
Cash and due from banks	57,242	61,763	89,449
Interest-bearing deposits with banks	1,781	1,945	2,570
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	180,513	183,455	192,068
Securities received as collateral, at fair value	33,199	30,045	33,761
of which encumbered	22,093	17,767	21,747
Trading assets, at fair value	264,201	256,399	300,597
of which encumbered	75,138	70,948	78,605
Investment securities	3,428	3,498	5,604
Other investments	12,084	12,022	12,294
Net loans	248,995	242,223	231,696
of which encumbered	552	535	552
allowance for loan losses	(916)	(922)	(908)
Premises and equipment	5,593	5,618	6,878
Goodwill	8,584	8,389	8,333
Other intangible assets	256	243	260
Brokerage receivables	58,538	45,768	42,801
Other assets	72,204	72,912	73,709
of which encumbered	722	1,495	2,302
Total assets	946,618	924,280	1,000,020

Consolidated balance sheets (unaudited) (continued)

end of	1Q13	4Q12	1Q12
Liabilities and equity (CHF million)			
Due to banks	35,033	31,014	39,035
Customer deposits	316,681	308,312	304,943
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	127,182	132,721	167,457
Obligation to return securities received as collateral, at fair value	33,199	30,045	33,761
Trading liabilities, at fair value	91,490	90,816	114,500
Short-term borrowings	24,657	18,641	16,331
Long-term debt	143,094	148,134	155,631
Brokerage payables	73,466	64,676	67,569
Other liabilities	56,870	57,637	59,929
Total liabilities	901,672	881,996	959,156
Common shares	54	53	49
Additional paid-in capital	23,808	23,636	22,262
Retained earnings	29,474	28,171	27,097
Treasury shares, at cost	(446)	(459)	0
Accumulated other comprehensive income/(loss)	(15,065)	(15,903)	(15,823)
Total shareholders' equity	37,825	35,498	33,585
Noncontrolling interests	7,121	6,786	7,279
Total equity	44,946	42,284	40,864
Total liabilities and equity	946,618	924,280	1,000,020

end of	1Q13	4Q12	1Q12
Additional share information			
Par value (CHF)	0.04	0.04	0.04
Authorized shares ¹	2,118,134,039	2,118,134,039	1,868,134,039
Common shares issued	1,339,652,645	1,320,829,922	1,224,513,920
Treasury shares	(27,495,313)	(27,036,831)	0
Shares outstanding	1,312,157,332	1,293,793,091	1,224,513,920

¹
Includes issued shares and unissued shares (conditional, conversion and authorized capital).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

CREDIT SUISSE GROUP AG and CREDIT SUISSE AG
(Registrant)

By: /s/ Brady W. Dougan
Brady W. Dougan
Chief Executive Officer
Credit Suisse Group AG and Credit Suisse AG

/s/ David R. Mathers
David R. Mathers
Chief Financial Officer
Credit Suisse Group AG and Credit Suisse AG

Date: April 24, 2013

n" SIZE="2">Net investing cash flow from discontinued operations: 3,000 (125)

Net cash flow from investing activities:

\$(195,037) \$(5,833)

Cash used in investing activities from continuing operations was \$198.0 million for the nine months ended September 30, 2007, compared to \$5.7 million for the same period in 2006. The cash outflows from continuing operations in 2007 are primarily the result of our acquisition of SRS on May 7, 2007 and our investment in equipment and internally used software. These were partially offset by a \$1.8 million cash inflow from the sale of office buildings and land that we acquired in 2005. The 2006 cash outflow was the result of investments in property, plant, and equipment and internal-use software to support our business. For the

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nine months ended September 30, 2007, we had an investing cash inflow from discontinued operations of \$3.0 million from the sale of our MSM subsidiary. For additional information see [Discontinued Operations](#), below. Cash flow from investing activities can fluctuate significantly with the execution of our acquisition strategy.

Net cash flows from financing activities

(in thousands)	Nine months ended September 30,	
	2007	2006
Net cash flow from financing activities:	\$ 94,483	\$ (30,653)

Cash provided by financing activities was \$94.5 million for the nine months ended September 30, 2007, compared to cash used by financing activities of \$30.7 million for the nine months ended September 30, 2006. The net cash provided in the first nine months of 2007 resulted primarily from the use of our credit facility to support the acquisition of SRS and proceeds from the exercise of stock options. In addition, we acquired treasury stock with a cost of \$9.1 million related to the distribution of a supplemental executive retirement plan (SERP) for our Chairman and Chief Executive Officer (for additional information, see note 12 [Shares Held in Grantor Trust](#) to our condensed consolidated financial statements). The cash outflow for the acquisition of treasury stock was offset by the excess tax benefits generated by stock option exercises and the SERP transaction. For the nine months ended September 30, 2006, the cash outflow from financing activities was primarily due to repayment of our credit facility of \$42.4 million and proceeds from stock option exercises and their related excess tax benefit.

Cash from financing activities is driven primarily from the proceeds on the exercise of stock options and their associated excess tax benefits as well as our use of our credit facility to fund operations and/or acquisitions. In the second quarter of 2007, we refinanced our credit facility to support the acquisition of SRS and future liquidity requirements. To complete the purchase of SRS, we utilized approximately \$170.0 million of the available \$300.0 million under the New Credit Agreement.

New Credit Agreement

On April 30, 2007, we terminated our \$125.0 million credit facility with Citizens Bank and executed the New Credit Agreement with a syndicate of lenders led by Bank of America, N.A. as administrative agent. The New Credit Agreement provides for a \$300.0 million revolving credit facility, with a \$25.0 million letter of credit sub limit and a \$30.0 million swing line loan sub limit. The New Credit Agreement also contains an accordion feature that permits the Company to arrange with the lenders for them to provide up to \$100.0 million in additional commitments.

Borrowings under the New Credit Agreement are collateralized by our assets and bear interest at one of the following rates as selected by the Company: a LIBOR-based rate plus market-rate spreads that are determined based on a company leverage ratio calculation (0.875% to 1.5%), or the lender's base rate, which is the lower of the Federal Funds Rate plus 0.5% or Bank of America's prime lending rate. The maturity date for the New Credit Agreement is April 30, 2012.

The terms of the Credit Agreement permit prepayment and termination of the loan commitments at any time, subject to certain conditions. The New Credit Agreement requires the Company to comply with specified financial covenants, including the maintenance of a certain leverage ratio and fixed charge coverage ratio. The New Credit Agreement also contains various covenants, including affirmative covenants with respect to certain reporting requirements and maintaining certain business activities, and negative covenants that, among other things, may limit our ability to incur liens, incur additional indebtedness, make investments, make acquisitions, and undertake certain additional actions.

We believe the capital resources available to us under our New Credit Agreement and cash from our operations are adequate to fund our ongoing operations and to support the internal growth we expect to achieve for at least the next twelve months. We anticipate financing our external growth from acquisitions and our longer-term internal growth through one or more of the following sources: cash from operations; additional borrowing; issuance of equity; use of the New Credit Agreement; or a refinancing of our New Credit Agreement.

Discontinued Operations

On February 23, 2007, we sold MSM to MSM Security Services Holdings, LLC for \$3.0 million in cash. The sale resulted in a pre-tax gain of \$0.6 million in the first quarter of 2007. MSM Security Services Holdings, LLC is solely owned by George J. Pedersen, ManTech's Chairman and Chief Executive Officer. Mr. Pedersen presented an offer to the ManTech Board of Directors to purchase our MSM subsidiary. Mr. Pedersen's offer exceeded the value of any other definitive offers extended to the Company.

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After Mr. Pedersen presented a formal offer to the Company to purchase our MSM subsidiary, the Board formed a special committee comprised solely of independent directors to review, evaluate and determine the advisability of the transaction. The special committee retained the services of independent legal counsel and independent financial advisor to advise the special committee and assist it in connection with its duties. The special committee received a fairness opinion from the independent financial advisor. The special committee of the Board considered the opinions received from its advisors and unanimously recommended approval of the transaction to the independent members of the board, and the transaction was approved by ManTech's independent directors.

Our Consolidated Financial Statements and related note disclosures reflect our ManTech MSM Security Services, Inc. (MSM) subsidiary as Long-Lived Assets to Be Disposed of by Sale for all periods presented in accordance with Statement of Financial Accounting Standards No. 144 *Accounting for the Impairment or Disposal of Long-Lived Assets*. As such, MSM was classified as held for sale in the consolidated balance sheets and discontinued operations, net of applicable income taxes in the consolidated statements of income.

Critical Accounting Estimates and Policies

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions. Application of these policies is particularly important to the portrayal of our financial condition and results of operations. The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses. Actual results may differ from these estimates under different assumptions or conditions. Our significant accounting policies, including the critical policies listed below, are described in the notes to the condensed consolidated financial statements included in this report.

Revenue Recognition and Cost Estimation

We recognize revenue when persuasive evidence of an arrangement exists, services have been rendered, the contract price is fixed or determinable, and collectibility is reasonably assured. We have a standard internal process that we use to determine whether all required criteria for revenue recognition have been met.

Our revenues consist primarily of services provided by our employees, and to a lesser extent, the pass through of costs for materials and subcontract efforts under contracts with our customers. Cost of services consists primarily of compensation expenses for program personnel, the fringe benefits associated with this compensation, and other direct expenses incurred to complete programs, including cost of materials and subcontract efforts.

We derive the majority of our revenue from cost-plus-fixed-fee, cost-plus-award-fee, firm-fixed-price, or time-and-materials contracts. Revenues for cost-reimbursement contracts are recorded as reimbursable costs are incurred, including an estimated share of the applicable contractual fees earned. For performance-based fees under cost reimbursable contracts, that are subject to the provisions of Statement of Position 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts* (SOP 81-1), we recognize the relevant portion of the expected fee to be awarded by the client at the time such fee can be reasonably estimated, based on factors such as our prior award experience and communications with the client regarding performance. For cost reimbursable contracts with performance-based fee incentives that are subject to the provisions of U.S. Securities and Exchange Commission Staff Accounting Bulletin No. 104, *Revenue Recognition (SAB104)*, we recognize the relevant portion of the fee upon customer approval. For time-and-material contracts, revenue is recognized to the extent of billable rates times hours delivered plus material and other reimbursable costs incurred. For long-term fixed-price production contracts, revenue is recognized at a rate per unit as the units are delivered, or by other methods to measure services provided. Revenue from other long-term fixed-price contracts is recognized ratably over the contract period or by other appropriate methods to measure services provided. Contract costs are expensed as incurred except for certain limited long-term contracts noted below. For long-term contracts which are specifically described in the scope section of American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) No. 81-1, *Accounting for Performance of Construction Type and Certain Production-Type Contracts*, or other appropriate accounting literature we apply the percentage of completion method. Under the percentage of completion method, income is recognized at a consistent profit margin over the period of performance based on estimated profit margins at completion of the contract. This method of accounting requires estimating the total revenues and total contract cost at completion of the contract. During the performance of long-term contracts, these estimates are periodically reviewed and revisions are made as required. The impact on revenue and contract profit as a result of these revisions is included in the periods in which the revisions are made. This method can result in the deferral of costs or the deferral of profit on these contracts. Because we assume the risk of performing a fixed-price contract at a set price, the failure to accurately estimate ultimate costs or to control costs during performance of the work could result, and in some instances has resulted, in

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reduced profits or losses for such contracts. Estimated losses on contracts at completion are recognized when identified. In certain circumstances, revenues are recognized when contract amendments have not been finalized.

Goodwill

Goodwill represents the excess of cost over the fair value of net tangible and identifiable intangible assets of acquired companies. Effective January 1, 2002, we adopted SFAS No. 142, and no longer amortize goodwill; rather, we review goodwill at least annually for impairment. We have elected to perform this review annually during second quarter of each calendar year and have determined no adjustments are necessary at this time. For acquisitions completed prior to the adoption of SFAS No. 141 and SFAS No. 142 on January 1, 2002, goodwill was amortized on a straight-line basis over periods ranging from two to twenty years.

Other Matters

Our significant accounting policies, including the critical policies listed above, are described in the notes to the consolidated financial statements for the year ended December 31, 2006, included in our Annual Report on Form 10-K filed with the SEC on March 9, 2007.

Recent Accounting Pronouncements

In June 2006, the FASB issued Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* An interpretation of FASB Statement No. 109, which clarifies the accounting for uncertainty in tax positions. FIN 48 seeks to reduce the diversity in accounting practices used in regards to uncertain tax positions by prescribing a recognition threshold and measurement criteria for benefits related to income taxes. The provisions of FIN 48 are effective for all reporting periods beginning after December 15, 2006. Effective January 1, 2007, we have applied the provisions of FIN 48 to all tax positions with cumulative effects resulting in an adjustment of \$0.1 million to retained earnings.

In September 2006, the FASB issued Statement No. 157 (SFAS 157), *Fair Value Measurements*, which addresses how companies should measure fair value when they are required to use a fair value measure for recognition or disclosure purposes under generally accepted accounting principles. SFAS 157 is effective for fiscal years beginning after November 15, 2007. At this time, we are assessing the impact the adoption of SFAS 157 will have on our consolidated financial statements.

In February 2007, the FASB issued Statement No. 159 (SFAS 159), *The Fair Value Option for Financial Assets and Liabilities* Including an amendment of FASB Statement No. 115, which permits entities to measure eligible items at fair value. For items where the fair value election is made, the company will be required to report unrealized gains or losses in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. At this time, we are assessing the impact the adoption of SFAS 159 will have on our consolidated financial statements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties, many of which are outside of our control. ManTech believes these statements to be within the definition of the Private Securities Litigation Reform Act of 1995. You can identify these statements by forward-looking words such as may, will, expect, intend, anticipate, believe, estimate, continue, similar words. You should read statements that contain these words carefully because they discuss our future expectations, make projections of our future results of operations or financial condition or state other forward-looking information.

Although forward-looking statements in this Quarterly Report reflect the good faith judgment of management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties, and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. We believe that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to predict accurately or control. Factors that could cause actual results to differ materially from the results we anticipate include, but are not limited to, the following:

adverse changes in U.S. government spending priorities;

failure to retain existing U.S. government contracts, win new contracts or win recompetes;

adverse results of U.S. government audits of our government contracts;

risks associated with complex U.S. government procurement laws and regulations;

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adverse effect of contract consolidations;

risk of contract performance or termination;

failure to obtain option awards, task orders or funding under contracts;

adverse changes in our mix of contract types;

failure to successfully integrate recently acquired companies or businesses into our operations or to realize any accretive or synergistic effects from such acquisitions;

failure to identify, execute or effectively integrate future acquisitions;

risks of financing, such as increases in interest rates and restrictions imposed by our New Credit Agreement, including our ability to meet existing financial covenants; and

competition.

We urge you not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report. These and other risk factors are more fully described and discussed in our annual report on Form 10-K for the fiscal year ended December 31, 2006, previously filed with the SEC, those referenced in Item 1A of Part II below, and from time to time, in our other filings with the SEC. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report. We also suggest that you carefully review and consider the various disclosures made in this Quarterly Report that attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

Our exposure to market risk relates to changes in interest rates for borrowings under our senior term loan and revolving credit facility. These borrowings bear interest at variable rates. As of September 30, 2007, we had \$85.7 million outstanding under our revolving credit facility. A hypothetical 10% increase in interest rates would have increased our interest expense by \$0.2 million for the nine months ended September 30, 2007.

We do not use derivative financial instruments for speculative or trading purposes. We invest our excess cash in short-term, investment grade, interest-bearing securities. Our investments are made in accordance with an investment policy approved by the board of directors. Under this policy, no investment securities can have maturities exceeding one year, and the average maturity of the portfolio cannot exceed 90 days.

Item 4. Controls and Procedures

As of September 30, 2007, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), management evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this report, such that the information relating to us that is required to be disclosed in our reports filed with the SEC (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

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There were no changes in our internal control over financial reporting during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to certain legal proceedings, government audits, investigations, claims and disputes that arise in the ordinary course of our business. Like most large government defense contractors, our contract costs are audited and reviewed on a continual basis by an in-house staff of auditors from the Defense Contract Auditing Agency. In addition to these routine audits, we are subject from time to time to audits and investigations by other agencies of the federal government. These audits and investigations are conducted to determine if our performance and administration of our government contracts are compliant with contractual requirements and applicable federal statutes and regulations. An audit or investigation may result in a finding that our performance, systems and administration is compliant or, alternatively, may result in the government initiating proceedings against us or our employees, including administrative proceedings seeking repayment of monies, suspension and/or debarment from doing business with the federal government or a particular agency, or civil or criminal proceedings seeking penalties and/or fines. Audits and investigations conducted by the federal government frequently span several years.

Although we cannot predict the outcome of these and other legal proceedings, investigations, claims and disputes, based on the information now available to us, we do not believe the ultimate resolution of these matters, either individually or in the aggregate, will have a material adverse effect on our business, prospects, financial condition, operating results, or cash flows.

Item 1A. Risk Factors

Other than as set forth below, there have been no material changes from the risk factors disclosed in the Risk Factors section of the Company's Annual Report on Form 10-K for the year ended December 31, 2006. The risk factor stated below was disclosed on our Form 10-K and has been updated to reflect our new credit agreement.

Covenants in our credit facility may restrict our financial and operating flexibility.

We maintain a credit agreement with Bank of America N.A. The agreement provides for up to \$300.0 million, with an option to increase an additional \$100.0 million, in available borrowings through April 2012. Under the agreement, we are required to maintain specific financial covenants related to a leverage ratio and fixed charge coverage. The agreement also places limitations on additional borrowings, mergers, and related-party transactions, payment of dividends, and contains limitations with respect to capital expenditures. Borrowings under the agreement are collateralized by our assets and bear interest at the Eurodollar Rate, or the lender's base rate, plus market-rate spreads that are determined based on a company leverage ratio calculation. At inception, we paid initialization fees of \$1.4 million, including associate legal costs. Our ability to satisfy these financial ratios can be affected by events beyond our control, and we cannot assure you that we will meet these ratios. Default under our credit facility could allow the lenders to declare all amounts outstanding to be immediately due and payable. We have pledged substantially all of our assets to secure the debt under our credit facility. If the lenders declare amounts outstanding under the credit facility to be due, the lenders could proceed against those assets. Any event of default, therefore, could have a material adverse effect on our business if the creditors determine to exercise their rights. We also may incur future debt obligations that might subject us to restrictive covenants that could affect our financial and operational flexibility, restrict our ability to pay dividends on our common stock or subject us to other events of default.

From time to time we may require consents or waivers from our lenders to permit actions that are prohibited by our credit facility. If our lenders refuse to provide waivers of our credit facility's restrictive covenants and/or financial ratios, then we may be in default under our credit facility, and we may be prohibited from undertaking actions that are necessary or desirable to maintain and expand our business.

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Item 6. Exhibits

Exhibits required by Item 601 of Regulation S-K:

The following lists certain exhibits either filed herewith or filed with the SEC during the fiscal quarter ended September 30, 2007.

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended.

Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MANTECH INTERNATIONAL CORPORATION

Date: November 5, 2007

By: _____ /s/ GEORGE J. PEDERSEN

Name: **George J. Pedersen**

Title: **Chairman of the Board of Directors and**

Chief Executive Officer

Date: November 5, 2007

By: _____ /s/ KEVIN M. PHILLIPS

Name: **Kevin M. Phillips**

Title: **Chief Financial Officer**