



9M 2015 Results

November 9, 2015

Overall Financial Highlights

Continued growth of revenues (+6%) and operating profit (+27%)

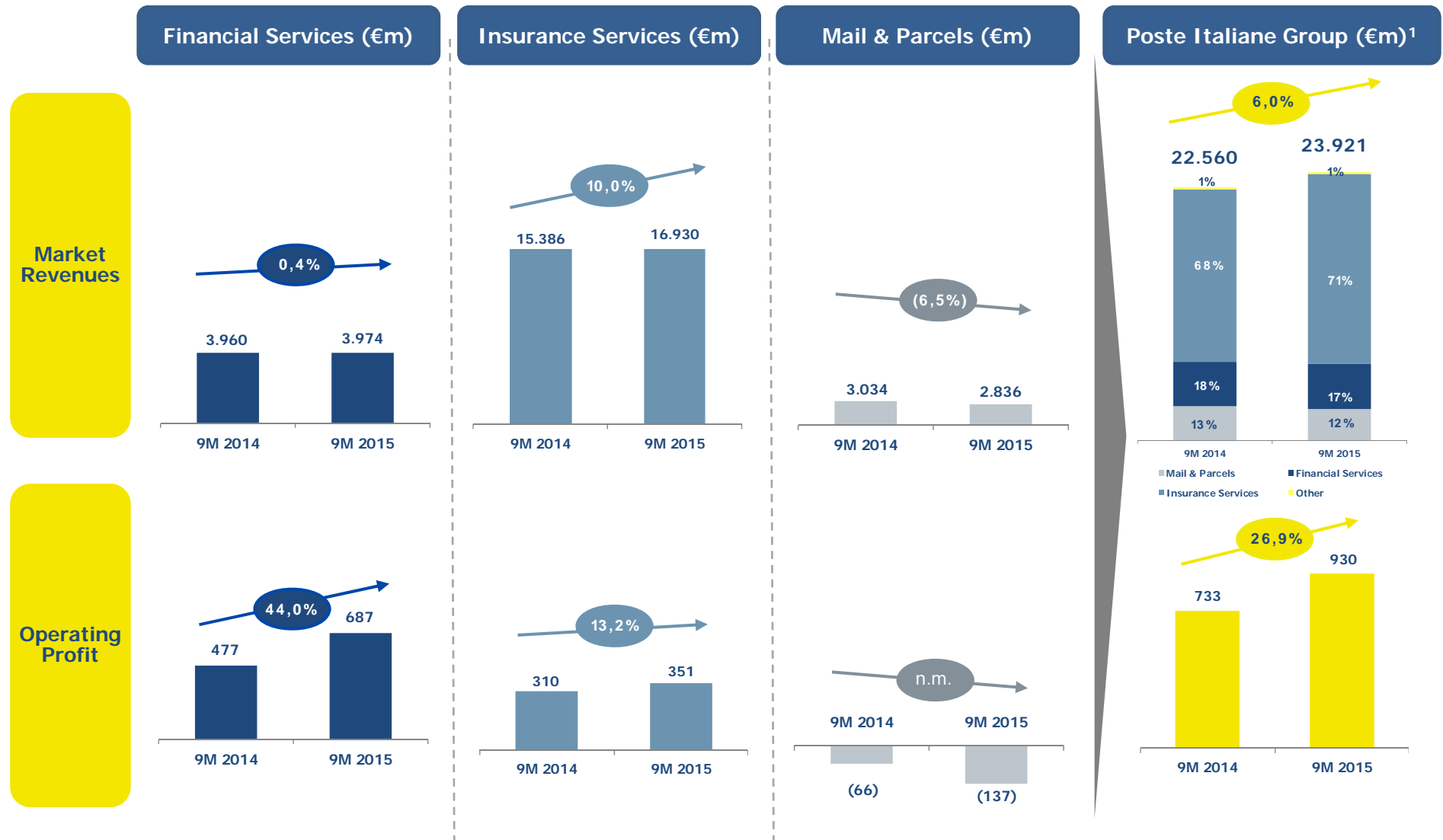
3.5% reduction in operating costs vs 2014

Operating cash flow⁽¹⁾ growing 16% up to €658m from €567m



Transformation plan well on track

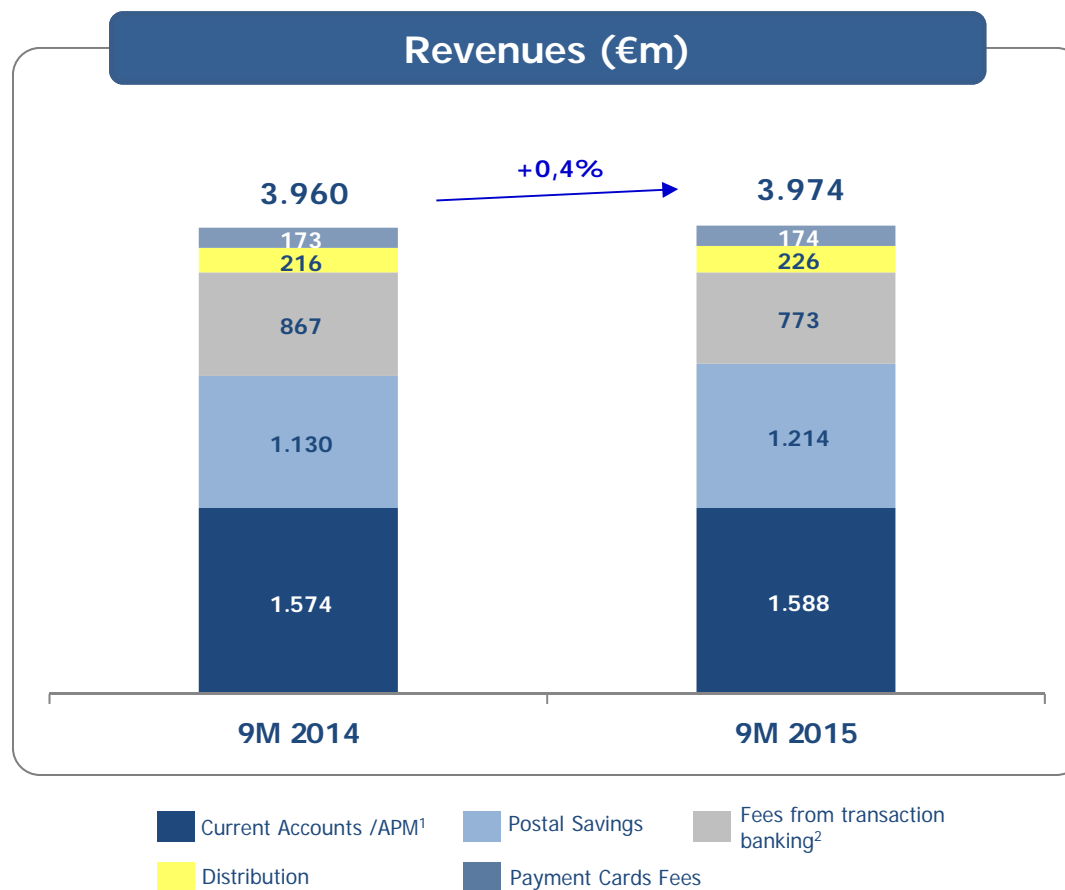
9M 2015: Key Numbers



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1. Including other segments (PosteMobile and "Consorzio Telefonía Mobile")

Focus on Financial Services (1/3) – Revenues Evolution



1. Current accounts /Active Portfolio Management include interests income, realized capital gain and income from financial assets at FVTPL (Fair Value through profit or loss)
2. Transaction banking includes: payment slips, F24, money transfers, pension cheques and other revenues from current accounts. Net of intercompany values

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Focus on Financial Services (2/3) – Revenues Breakdown

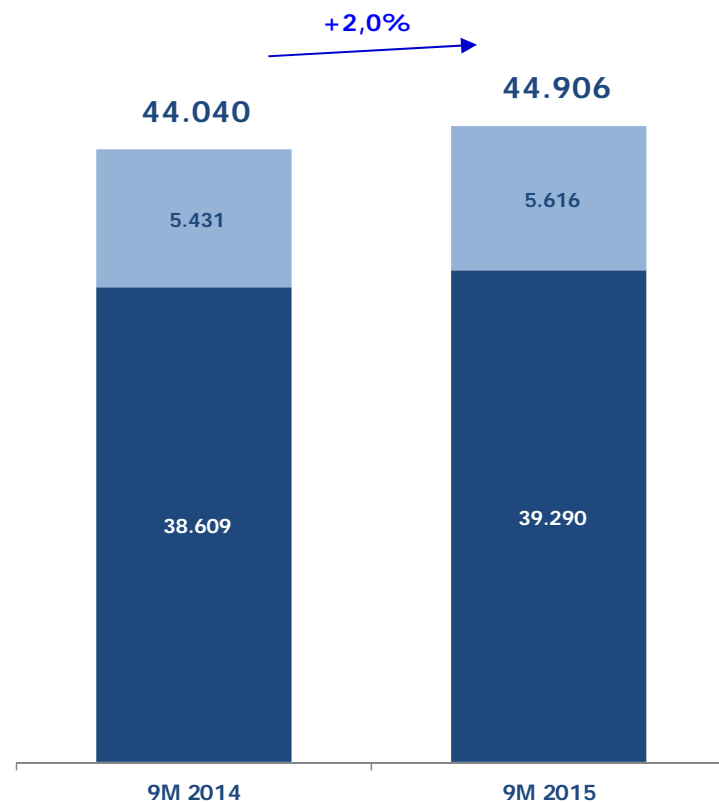
Revenue source	2015 €m 2015 vs 2014 (var. %)
Returns on Current Account Deposits	1.588 +0,9%
Fees from Postal Savings Collection	1.214 +7,4%
Fees from Transaction Banking	773 -10,9%
Distribution Fees	226 +4,6%
Payment Card Fees	174 +0,5%
Total Revenues	3.974 +0,4%

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Focus on Financial Services (3/3) – Active Portfolio Management

Average Deposit¹ (€m)



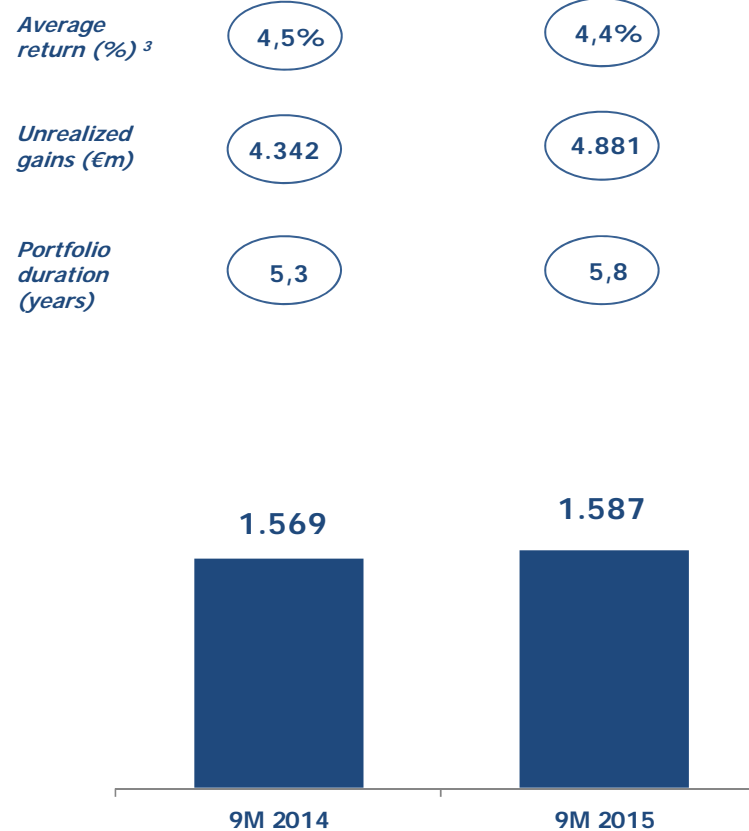
■ Avg deposits from Public Administration

■ Avg deposits from Retail and Corporate customers

→ Entirely invested in floating rate deposit c/o MEF

→ Entirely invested in Italian Government bonds

Active Portfolio Management Return² (€m)

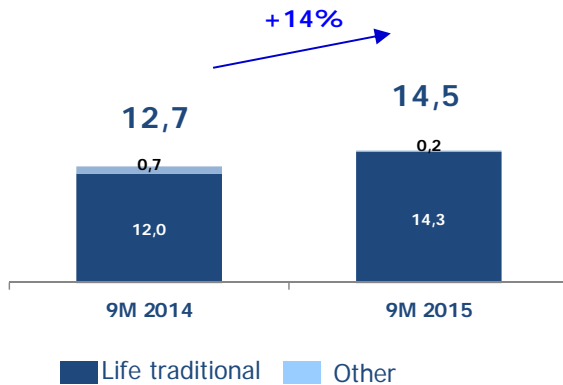


1. Including current accounts, time deposits and repurchase agreements
2. Including interest income and net realized capital gains
3. Average yield calculated as interest income and realized capital gains (pro rata temporis) on total financial assets

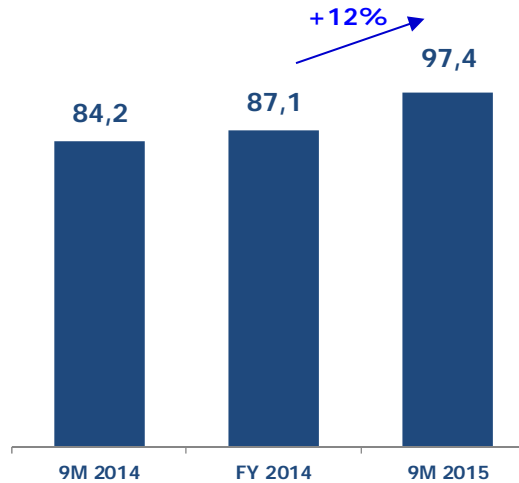
Focus on Insurance Services – Life GWP and Technical Reserves Evolution

GWP Evolution (€bn)

Reduction of Life-linked due to increasing demand of traditional products



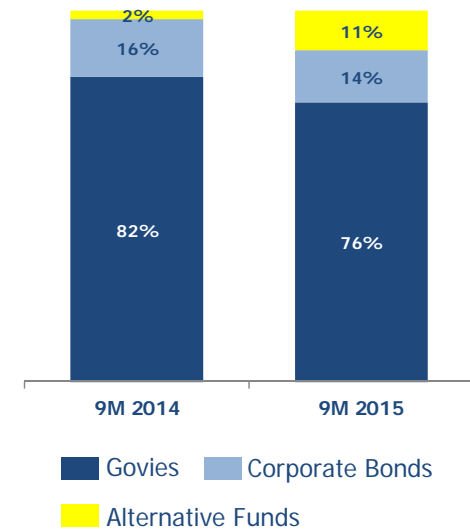
PosteVita Net Technical Reserves Evolution (€bn)



Investment Portfolio Breakdown

Life guaranteed (Ramo I) investment mix

- Avg. portfolio rating: BBB
- Avg. investment portfolio duration: ~6 years

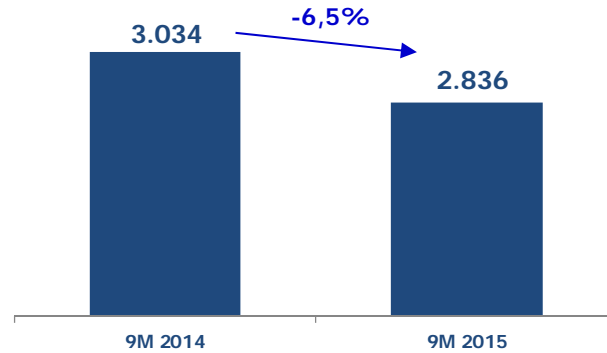


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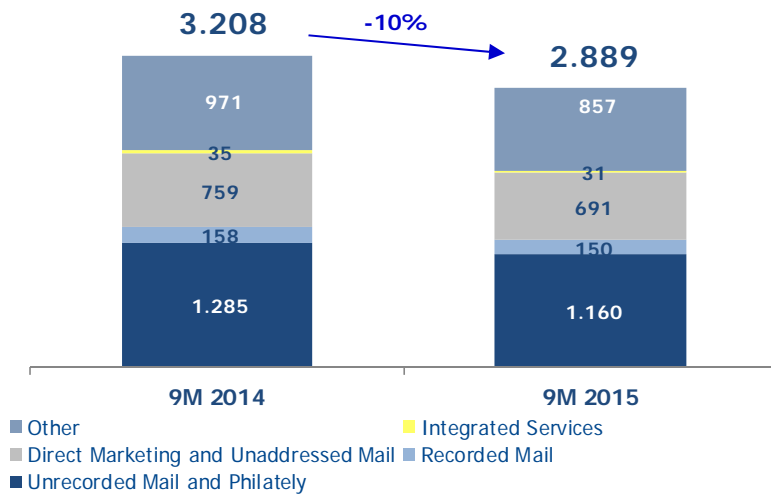
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Focus on Mail & Parcels (1/2) – Revenues & Volumes Evolution (Mail & Parcels)

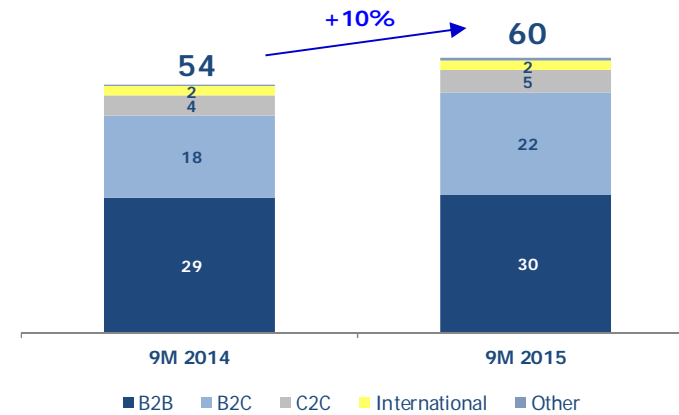
Revenues - Mail & Parcels (€m)



Volumes Evolution - Mail (m)



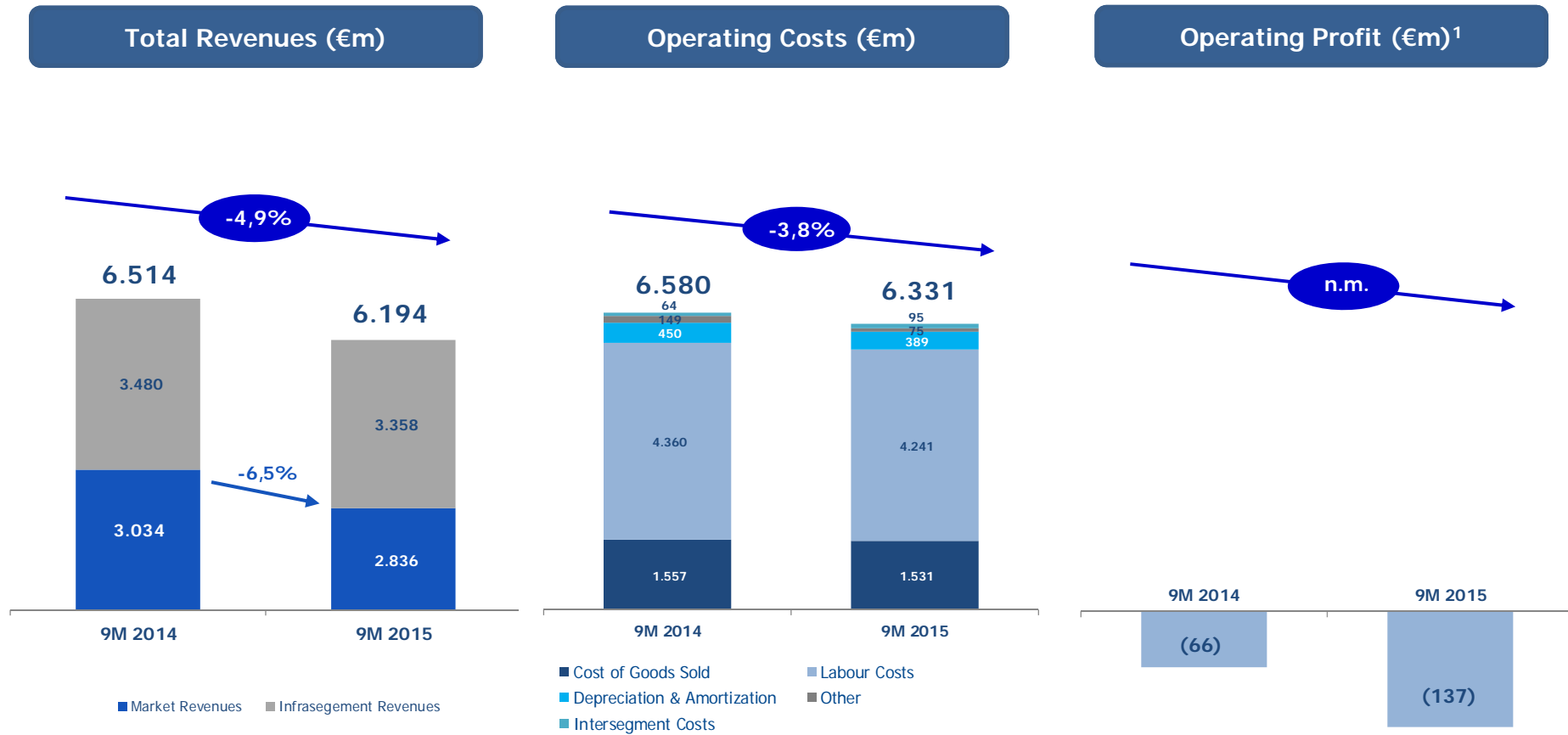
Volumes Evolution - Parcels (m)



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Focus on Mail & Parcels (2/2) – Revenues, Cost Structure and Profitability at Divisional Level



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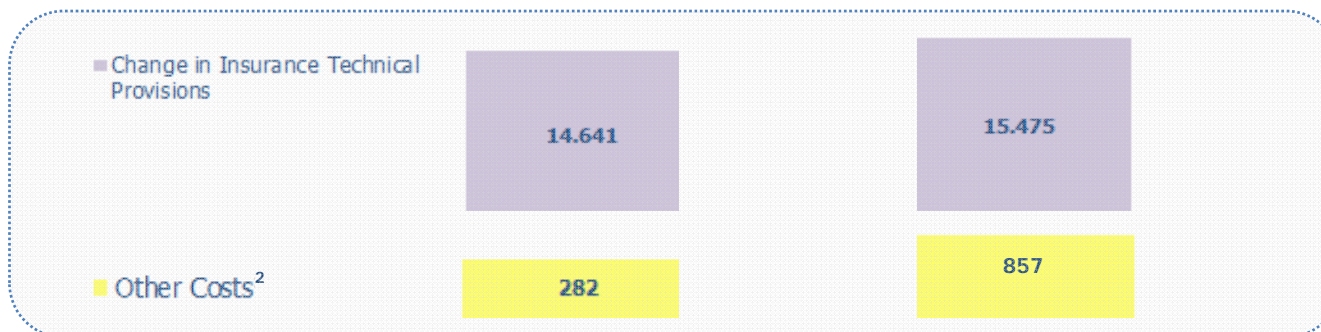
1. Includes intersegment revenues

Cost Structure at Consolidated Level

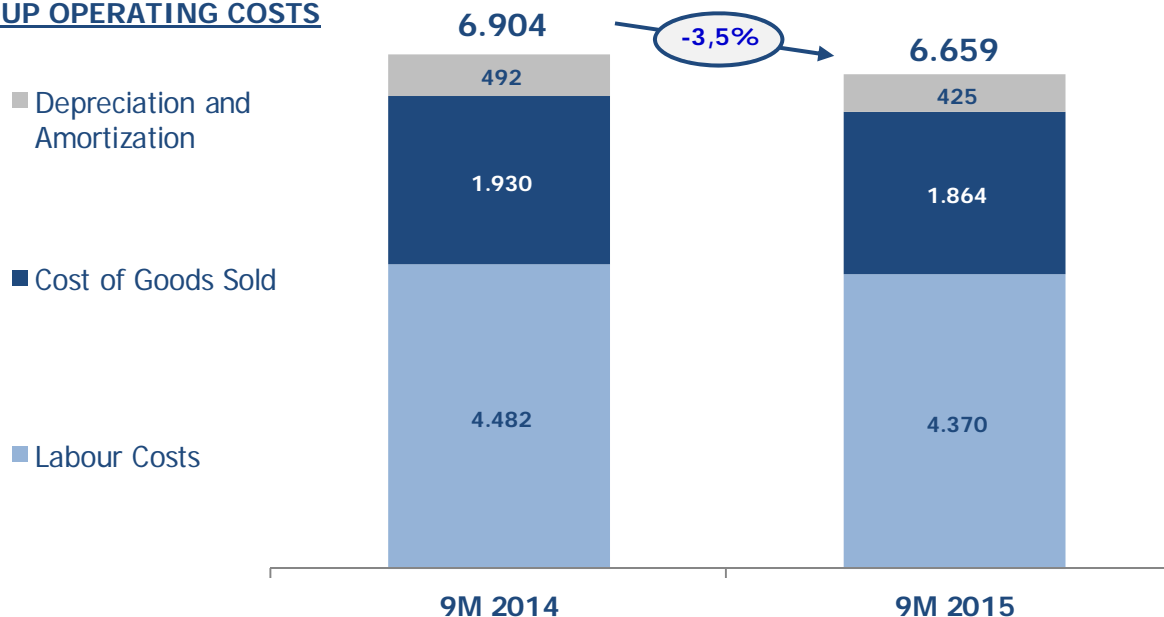
Group Costs (€m)

TOTAL GROUP COSTS¹

21.827 $\xrightarrow{+5,3\%}$ 22.991



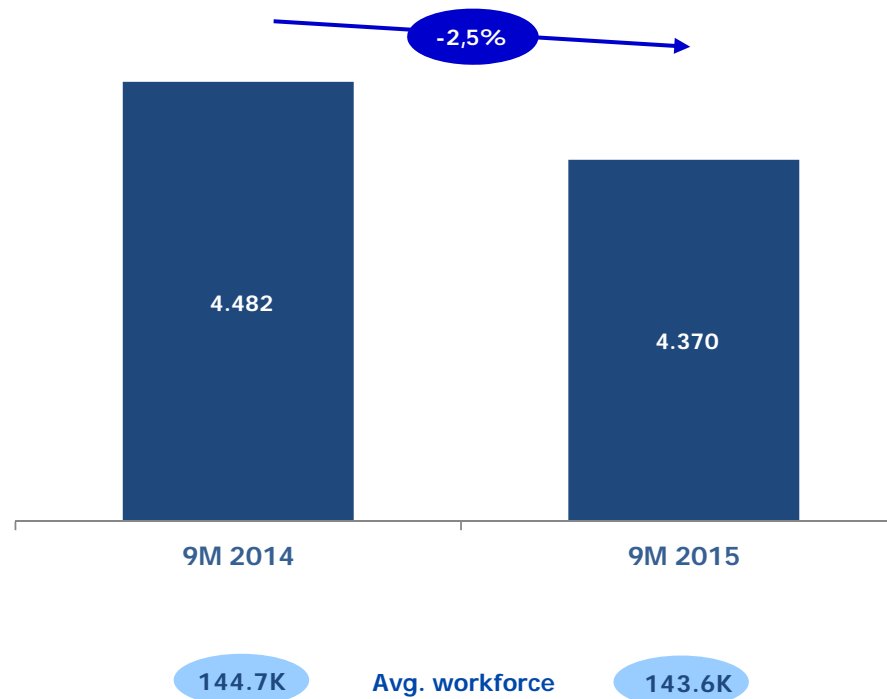
TOTAL GROUP OPERATING COSTS



(1) Total group costs including change in insurance technical provisions and other costs

(2) The increase in other costs is due to the difference in other expenses from financial and insurance activities (about +€600m)

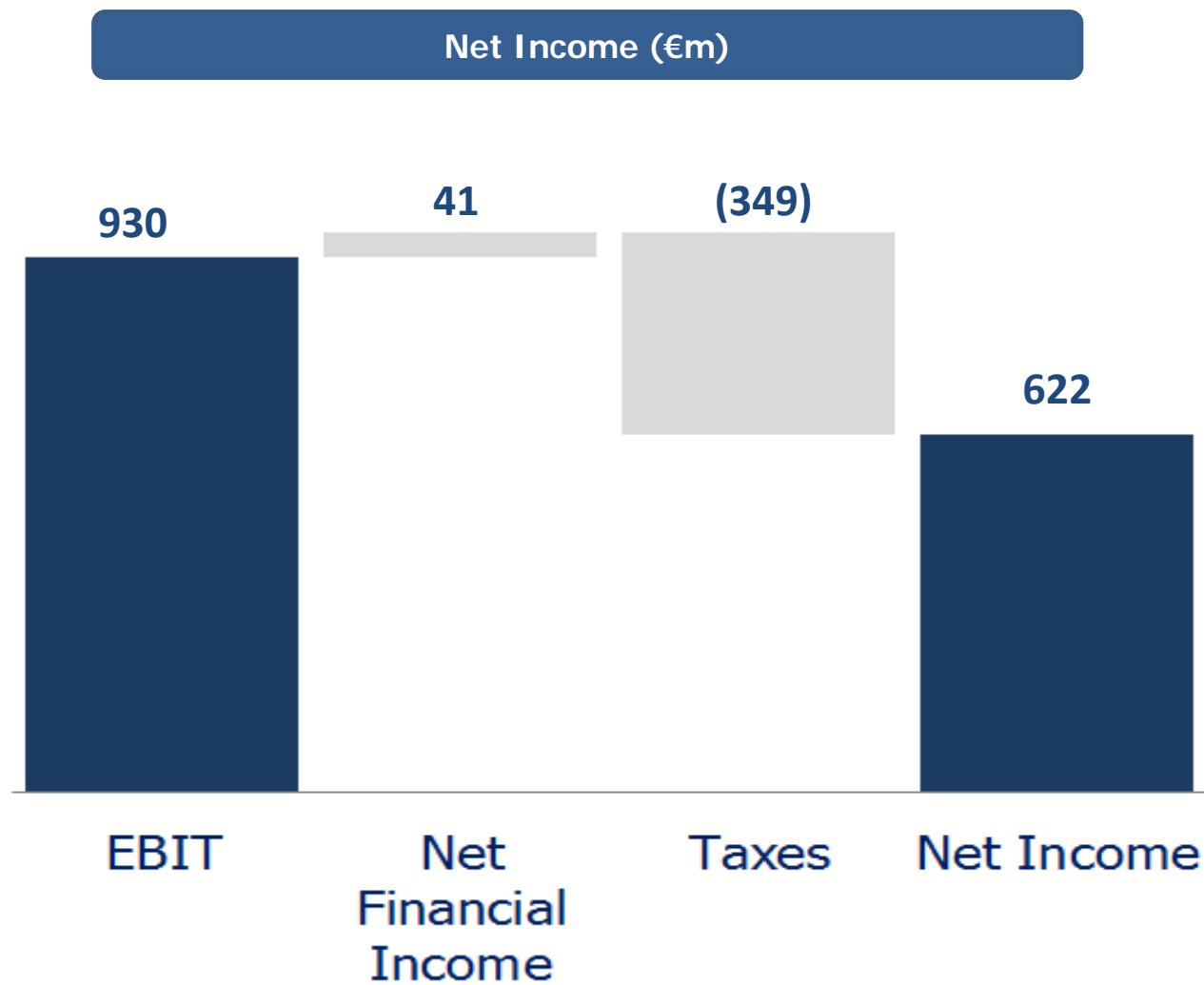
Cost Structure at Consolidated Level – Focus on labour costs (€m)



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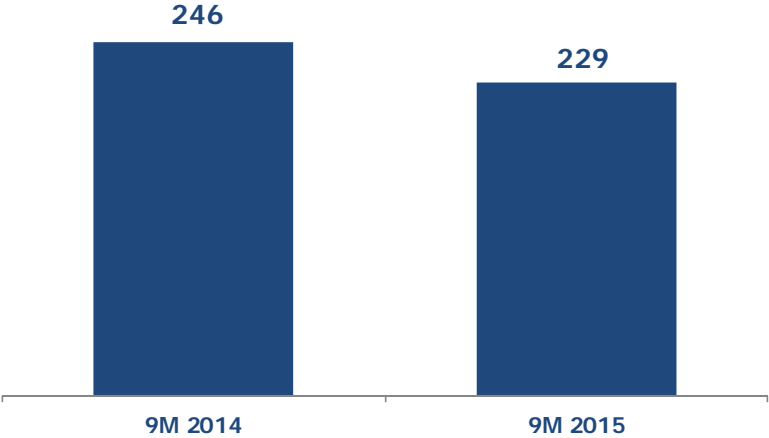
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From EBIT to Net Income (€m)

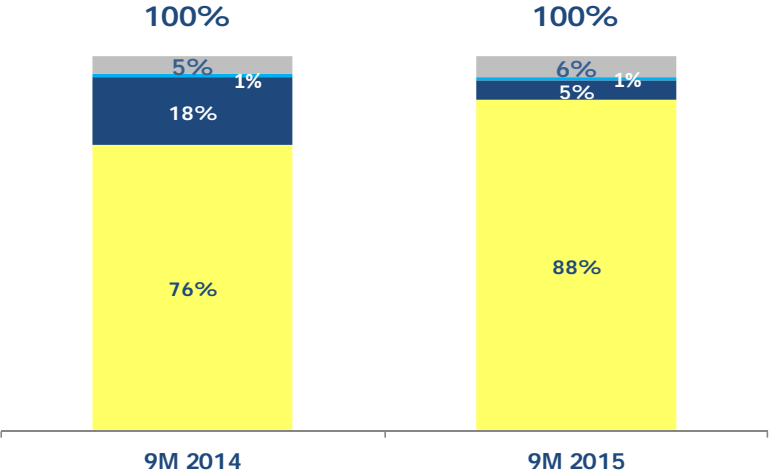


Group Capital Expenditure

Capex evolution (€m)



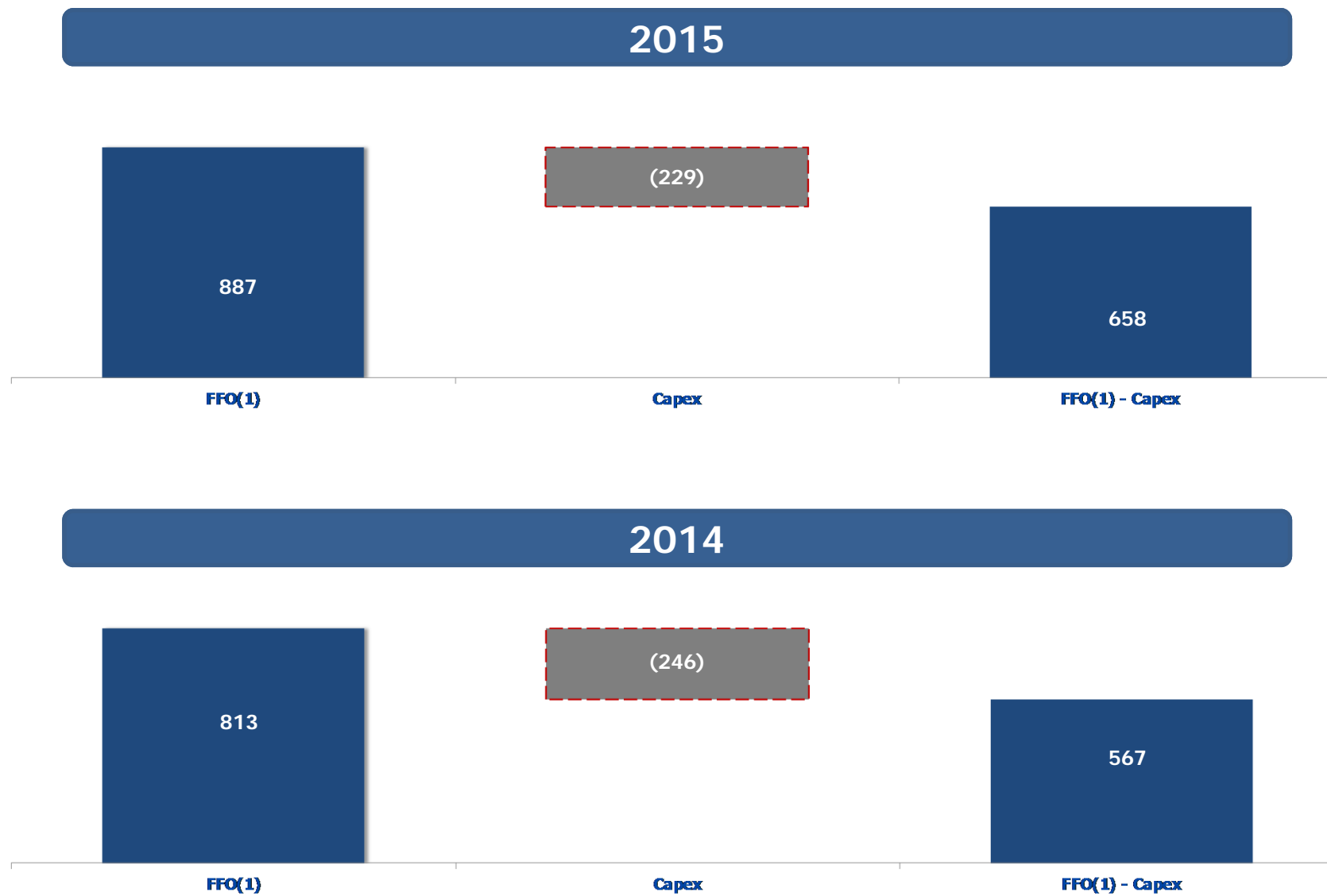
Capex Breakdown by Division (%)



■ Mail & Parcels / Network ■ Other ■ Financial Services ■ Insurance Services

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Cash Generation Profile (€m)



(1) Calculated as: Net Income + D&A + Net provisions for risks and charges – Use of Provisions for risks and charges + Net change in employee termination benefits and pension plans + Other (Details in Appendix)

Closing Remarks

- ✓ 1H 2015 positive trends confirmed
 - Growth in revenues, operating profit and cash flow

- ✓ Execution of transformation plan continues
 - Cost reduction
 - New services eg:
 - Poste Pay Evolution reaches 1.4 million
 - Acquisition of SDS⁽¹⁾ to support new health insurance offer
 - New app for BancoPosta driving digital transactions
 - New investment products (in partnership with Anima)

- ✓ In projecting year end results, some Q4 specifics:
 - Accrual of transformation costs for the year
 - More contained profits from unrealized gains vs previous quarters



Marked improvement of FY2015 vs FY2014

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(1) System Data Software Srl: an insurance software company acquired by Poste Italiane in March 2015



Appendix

Group Profit & Loss Statement

€m	9M 2014	9M 2015	Var. %
P&L			
Revenue from sales and services	6.759	6.498	(3,9%)
Insurance premium revenue	12.740	14.543	14,2%
Other income from financial and insurance activities	2.985	2.828	(5,3%)
Other operating income	76	52	(31,6%)
Sales	22.560	23.921	6,0%
Personnel costs	(4.482)	(4.370)	(2,5%)
Other operating expenses	(2.212)	(2.721)	23,0%
Net change in technical provisions for insurance business and other claims expenses	(14.641)	(15.475)	5,7%
Depreciation & amortization	(492)	(425)	(13,6%)
EBIT	733	930	26,9%
Net interest income / (Expense)	15	41	171,5%
Profit before tax	748	971	29,8%
Tax	(415)	(349)	(15,9%)
Net income	333	622	86,8%

Group Key Balance Sheet Items – 9M 2015

€m	FY 2014	9M 2015	Var. %
Balance sheet			
Cash & Equivalents	1.704	1.856	8,9%
BancoPosta related Cash	2.873	2.639	(8,1%)
Receivables & Inventory	2.751	2.260	(17,8%)
Financial Assets	142.689	153.721	7,7%
Tangible and Intangible Assets	2.892	2.694	(6,8%)
Other Assets	6.051	6.018	(0,5%)
Total Assets	158.960	169.188	6,4%
Trade Payables	1.422	1.318	(7,3%)
Financial Liabilities	55.359	54.426	(1,7%)
Technical Reserves	87.220	97.549	11,8%
Other	6.541	6.758	3,3%
Total Liabilities	150.542	160.051	6,3%
Shareholders Capital	1.306	1.306	-
Reserves	7.112	7.831	10,1%
Total Equity	8.418	9.137	8,5%
Total Liabilities & Equity	158.960	169.188	6,4%

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Group Cash Flow Statement – 9M 2015

€m	9M 2014	9M 2015	Var. %
Cashflow statement			
Net income	333	622	86,8%
Depreciation and amortization	492	425	(13,6%)
Net provisions for risks and charges	197	138	(29,9%)
(Use of Provisions for risks and charges)	(215)	(263)	22,3%
Net change in employee termination benefits and pension plans	(67)	(49)	(26,9%)
(Gains) / Losses on disposals	2	0	n.m.
Other	71	14	(80,3%)
FFO	813	887	9,1%
Change in working capital	(31)	409	n.s.
Cash flow from operations	782	1.296	65,7%
Capital expenditures	(246)	(229)	(6,9%)
Net change in subsidiaries and associates	5	(211)	n.m.
Disposals	5	2	(60,0%)
Cash flow from investments	(236)	(438)	85,6%
Dividend paid	(500)	(250)	(50,0%)
Cash Flow from financial assets and liabilities	909	(991)	n.m.
State aid restitution	0	535	n.m.
Cash flow from financing	409	(706)	n.m.
Net change in cash	955	152	(84,1%)

Group Working Capital – 9M 2015

€m	FY 2013	9M 2014	FY 2014	9M 2015	Var.%
Working Capital					
Trade receivables	3.747	3.412	3.761	3.362	(10,6%)
Inventories	146	148	139	140	0,7%
Other receivables and assets	2.506	2.496	3.540	3.251	(8,2%)
Deferred tax assets	673	627	702	608	(13,4%)
Current tax receivables	718	877	659	705	7,0%
Trade payables	(1.521)	(1.311)	(1.422)	(1.318)	7,3%
Other liabilities	(2.402)	(2.081)	(2.658)	(2.722)	(2,4%)
Deferred tax liabilities	(505)	(1.000)	(1.047)	(1.108)	(5,8%)
Current tax liabilities	(101)	(438)	(24)	(354)	n.s.
Working Capital	3.261	2.730	3.650	2.564	(29,8%)

Change in Group Working Capital – 9M 2015

€m	9M 2014	9M 2015
Change in Working Capital		
Trade receivables	335	399
Inventories	(2)	(1)
Other receivables and assets	10	289
Deferred tax assets	46	94
Current tax receivables	(159)	(46)
Trade payables	(210)	(104)
Other liabilities	(321)	64
Deferred tax liabilities	495	61
Current tax liabilities	337	330
Total	531	1.086
Financial income on discounted receivables	16	13
Net write-downs and loss on receivables	(54)	(5)
Deferred tax on fair value changes and TFR actuarial income	(534)	(160)
Cancellation of shareholder receivables CE 16/07/08 (2015 Stability Law)	--	(535)
Reinsurers' technical reserves	10	10
Adjustments (non monetary items and shareholders' transactions)	(562)	(677)
Change in Working Capital per cash flow statement	(31)	409

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Mail & Parcels Key Balance Sheet Items – 9M 2015

€m	9M 2015	€m	9M 2015
Assets		Equity and Liabilities	
Property, plant and equipment	2.104	Total Equity	2.876
Investment property	62	Provisions for risks and charges	316
Intangible assets	404	Employee termination benefits and pension plans	1.334
Investment accounted for using the equity method	1.885	Financial liabilities	1.254
Financial assets	1.152	Deffered tax liabilities	27
Trade receivables	53	Other liabilities	75
Deferred tax assets	417		
Other receivables and assets	166		
Total non-current assets	6.243	Total non-current liabilities	3.006
Inventories	136	Provisions for risks and charges	488
Trade receivables	2.952	Trade payables	1.218
Current tax assets	615	Current tax liabilities	10
Other receivables and assets	342	Other liabilities	1.423
Financial assets	283	Financial liabilities	1.800
Cash and cash equivalents	250		
Total current assets	4.578	Total current liabilities	4.939
Total Assets	10.821	Total Equity and Liabilities	10.821

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Net Debt Breakdown for Mail & Parcels and Other Services – 9M 2015

€m	FY 2014	9M 2015	Var. %
Net Debt - Mail & Parcels and Other Services			
Cash and Cash Equivalents	320	260	(18,8%)
Current Financial Assets	183	162	(11,5%)
Short term debt	(1.351)	(743)	45,0%
Current part of long term debt	(13)	(8)	38,5%
Other current financial liabilities	(24)	(20)	16,7%
Current Financial Position	(1.388)	(771)	44,5%
Current Net Financial Position	(885)	(349)	60,6%
Long term debt	(400)	(400)	-
Bonds	(796)	(797)	(0,1%)
Other non current financial liabilities	(66)	(59)	10,6%
Non Current Financial Position	(1.262)	(1.256)	0,5%
Net Financial Position	(2.147)	(1.605)	25,2%
Non current financial assets	654	552	(15,6%)
Net Financial Position - Mail & Parcel and Other Services	(1.493)	(1.053)	29,5%
Intersegment financial receivables	811	721	(11,1%)
Intersegment financial payables	(769)	(980)	(27,4%)
Net Financial Position (net of intersegments)	(1.451)	(1.312)	9,6%

1. Including a Net Financial Position of Other Services (equal to €57in 3Q2015; €30m in FY 2014).

Other Services – Poste Mobile Key Financials

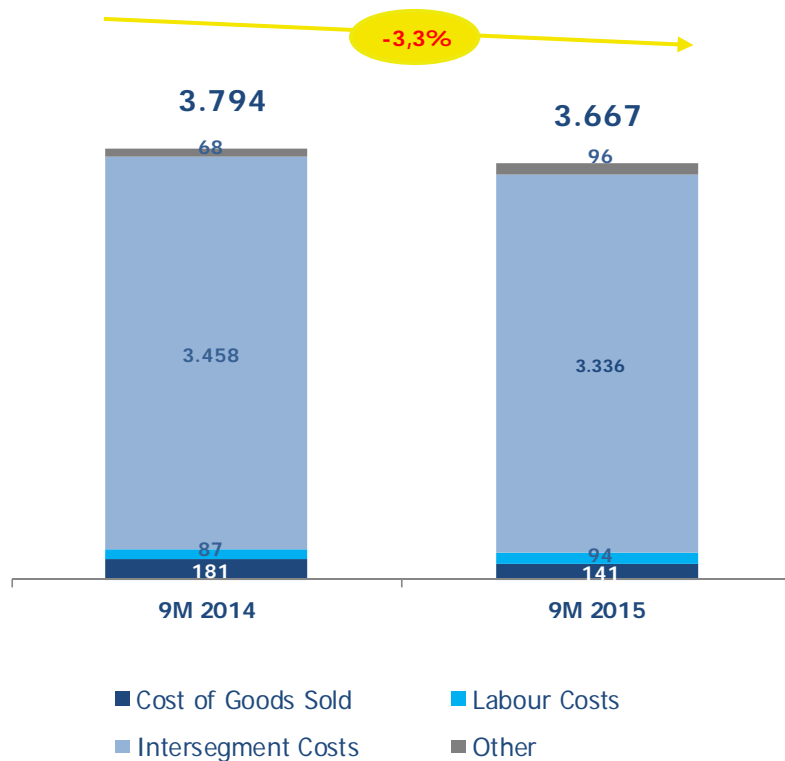
€m	3Q 2014	3Q 2015	Var. %
P&L			
Total revenue	243	249	2,7%
<i>o/w Market revenue</i>	180	181	0,3%
<i>o/w Intercompany revenue¹</i>	63	69	9,7%
Personnel costs	(19)	(17)	(11,5%)
Other operating expenses	(178)	(176)	(0,8%)
EBITDA	46	57	21,9%
<i>EBITDA margin</i>	<i>19,1%</i>	<i>22,7%</i>	
Depreciation and amortisation	(35)	(28)	(20,0%)
EBIT	11	29	149,2%
<i>EBIT margin</i>	<i>4,7%</i>	<i>11,5%</i>	
Non-operating income/(expenses)	(0)	(1)	177,3%
Profit before taxes	11	28	148,5%
Taxes	(5)	(10)	96,9%
Profit after taxes	6	18	193,7%
Cash flow statement			
FFO	41	45	9,9%
Cash flow from investments	(42)	(12)	71,4%
Net change in cash	(4)	(6)	34,1%
Other key data			
Average number of users (sim cards -#k)	3.034	3.432	13,1%
ARPU (€)	5,8	5,3	(7,8%)

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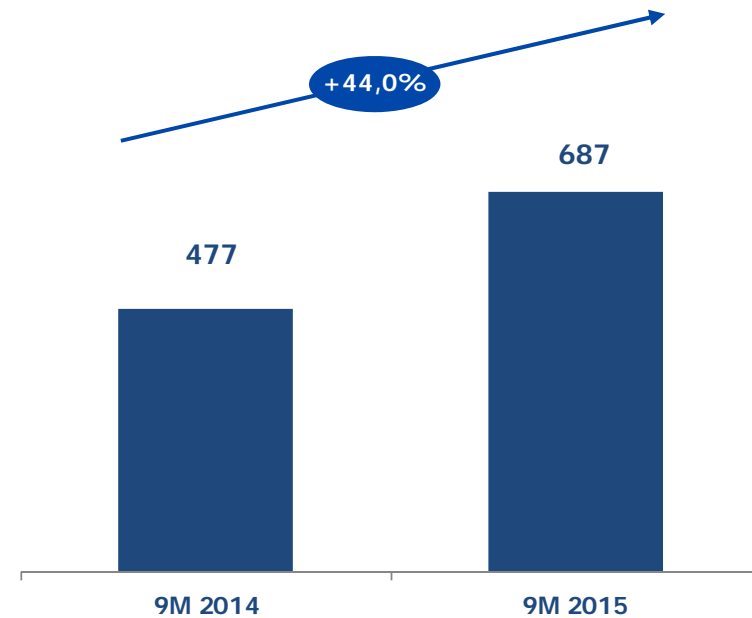
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Financial Services – Cost Structure and Profitability at Divisional Level

Financial Services – Operating Costs (€m)



Financial Services – Operating Profit (€m)¹



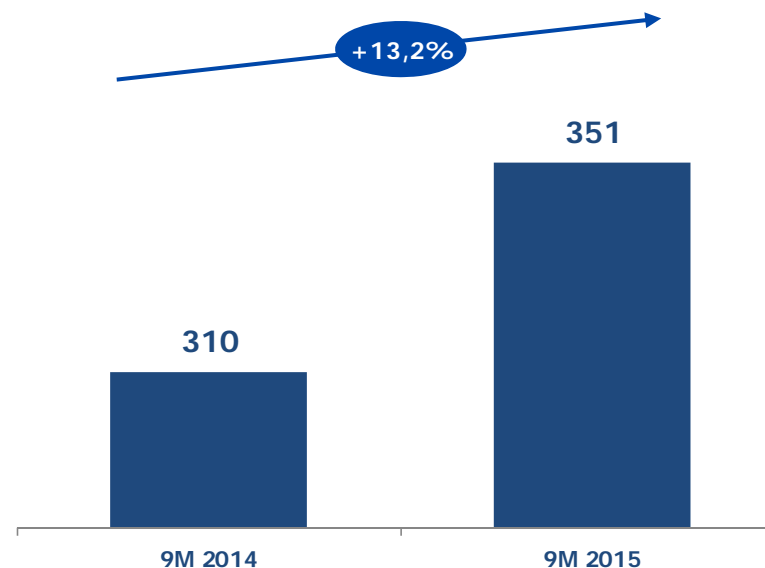
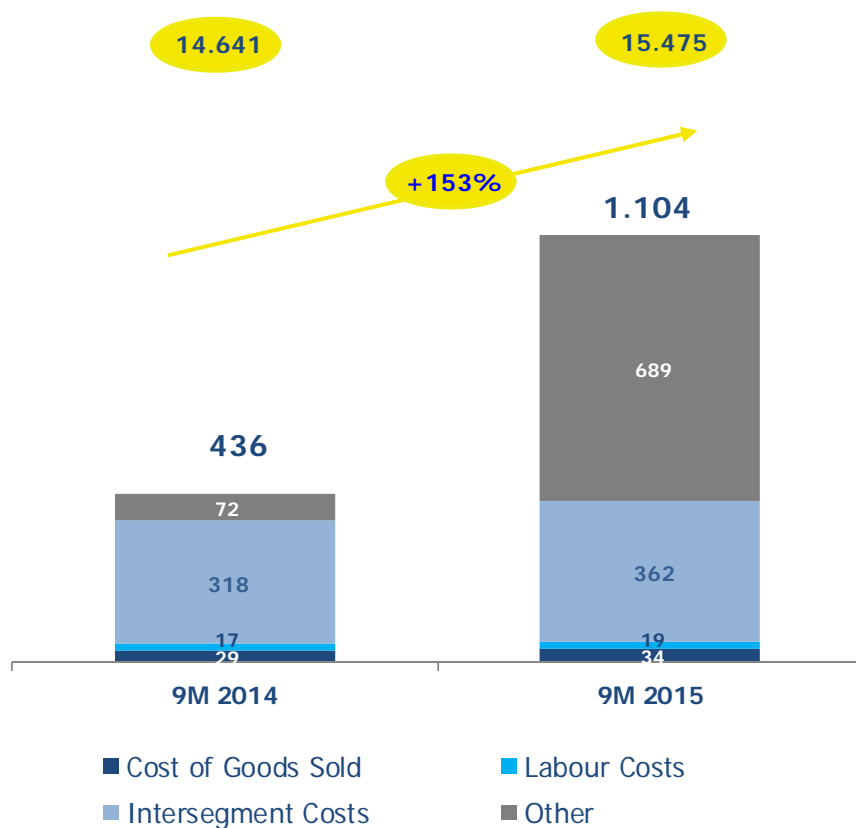
1. Includes intersegment revenues

Insurance Services – Cost Structure and Profitability at Divisional Level

Insurance Services – Operating Costs (€m)

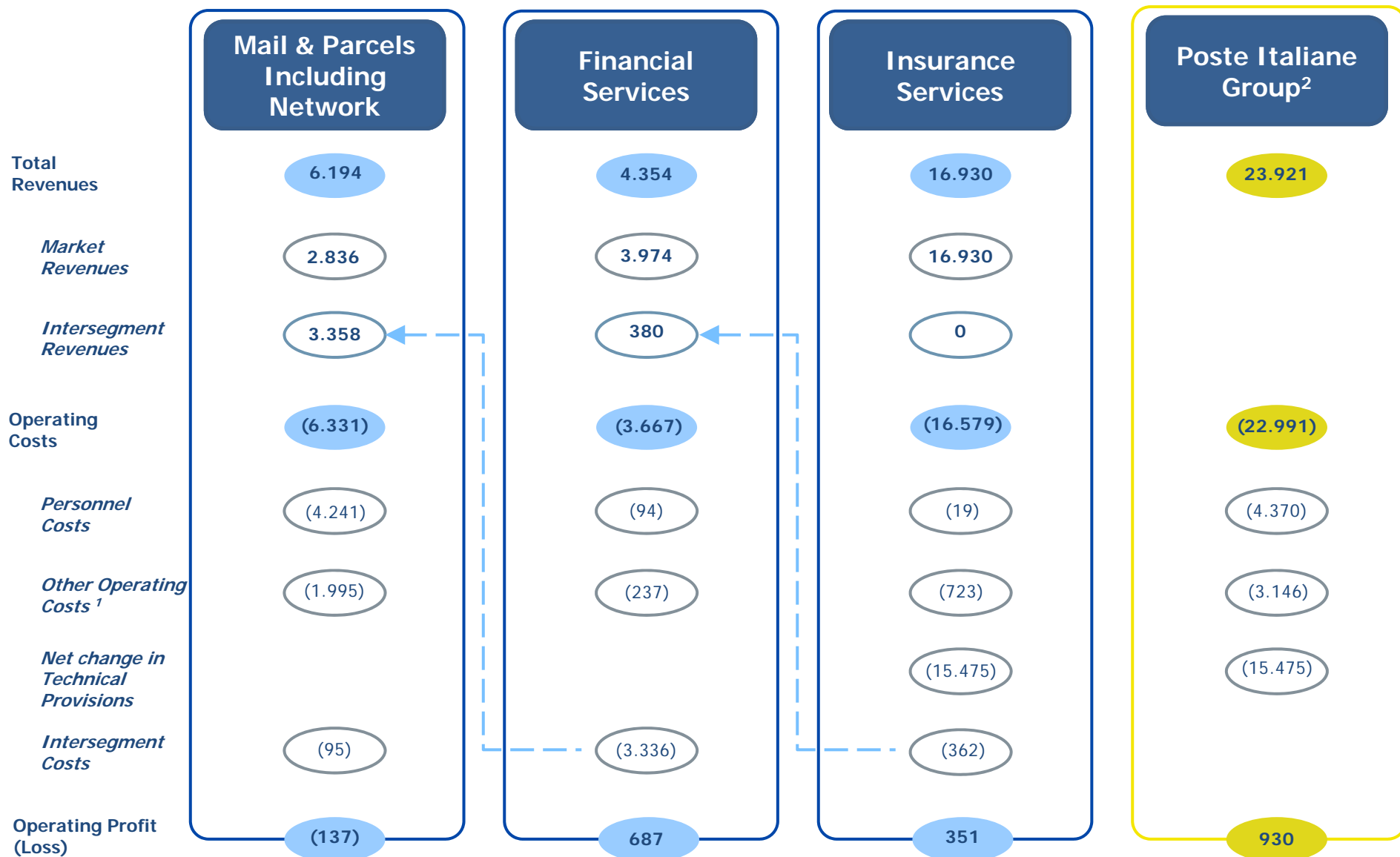
Insurance Services – Operating Profit (€m)¹

Change in Insurance
Technical Provisions



1. Includes intersegment revenues

Segment Flow Description – 9M 2015 (€m)



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1. Including external costs, and D&A
2. Including Other Services (Poste Mobile)