



1Q 2016 Results

May 10, 2016

	1Q 2015	1Q 2016	Var %
Revenues	8,543	9,759	+14%
EBIT	484	562	+16%
Net Profit	311	367	+18%



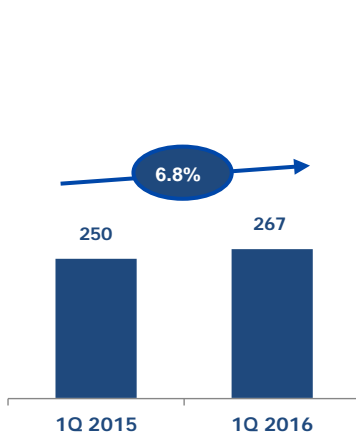
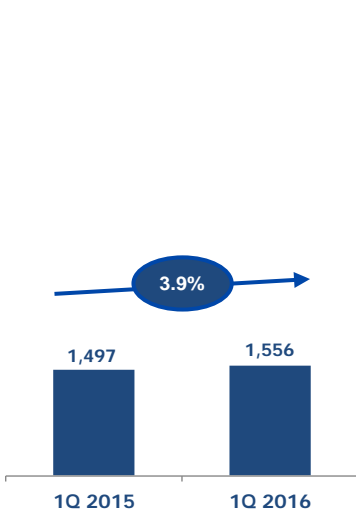
**Solid numbers support robust cash flow generation
and positive industrial NFP**

1Q 2016: Figures Highlights

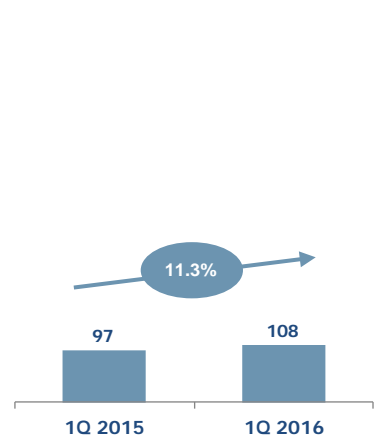
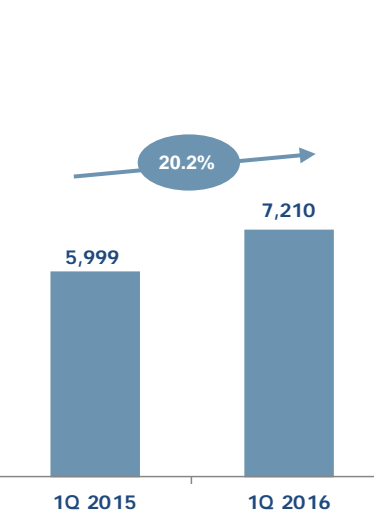
Revenues¹

Operating Profit

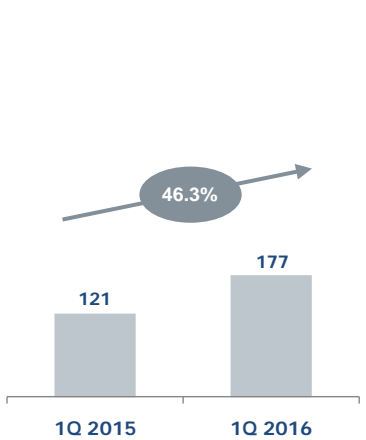
Financial Services (€m)



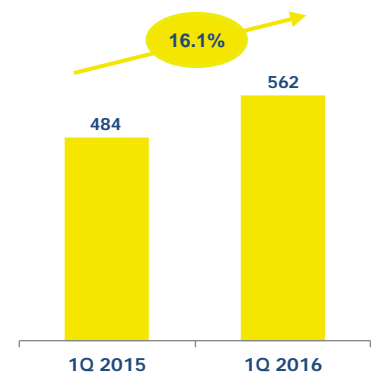
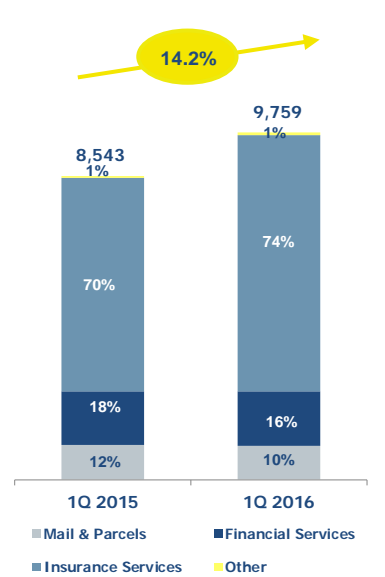
Insurance and Asset Management (€m)



Mail & Parcels (€m)

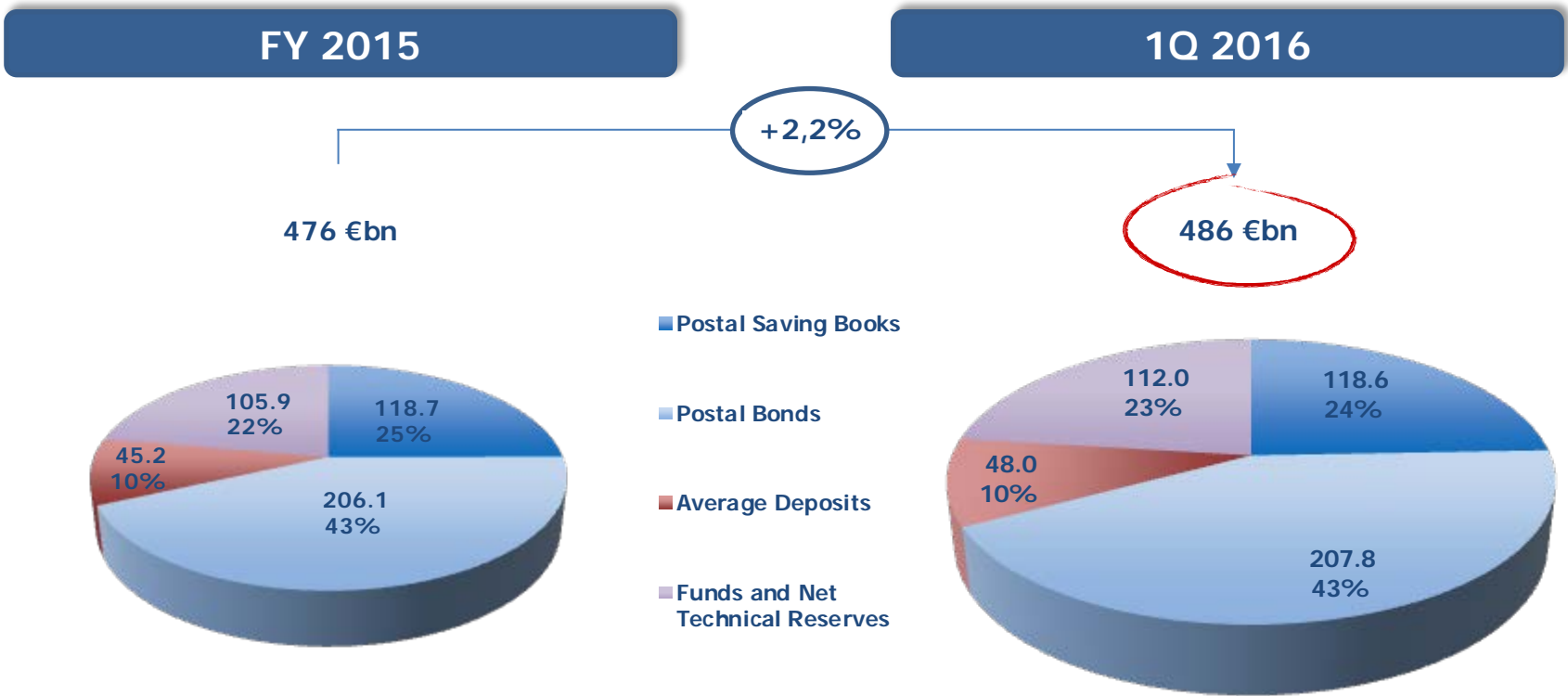


Poste Italiane Group (€m)²



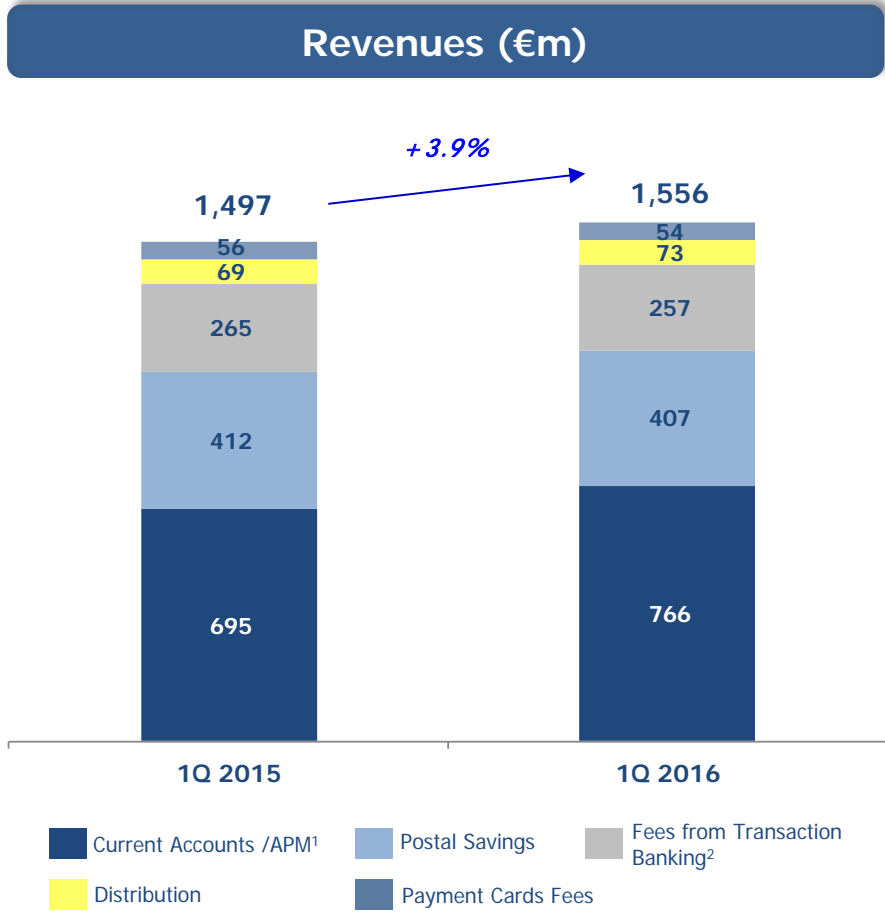
1. Net of Intersegment revenues
 2. Including other segments (PosteMobile and "Consorzio Telefonia Mobile")

Total Asset Under Management/Administration



Robust clients' asset base with a well balanced mix

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



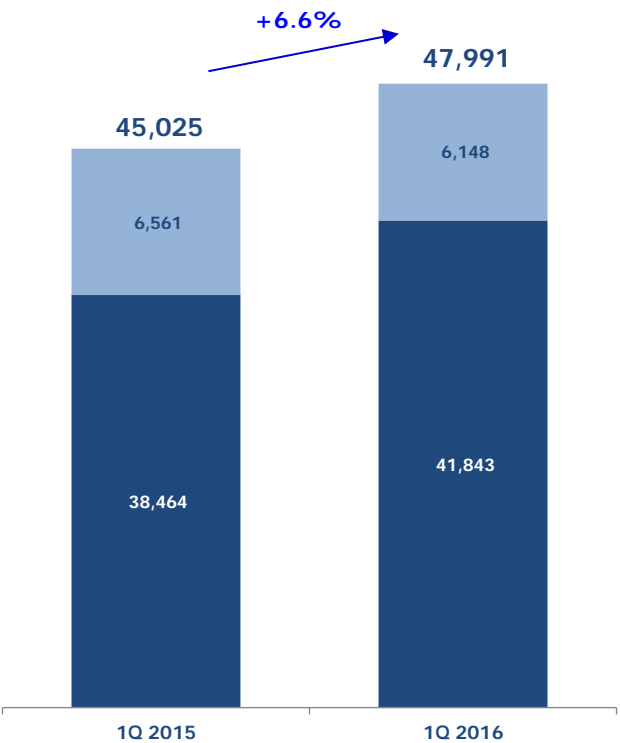
1. Current accounts /Active Portfolio Management includes interests income, realized capital gain and income from financial assets at FVTPL (Fair Value through profit or loss)
 2. Transaction banking includes: payment slips, F24, money transfers, pension cheques and other revenues from current accounts.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

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

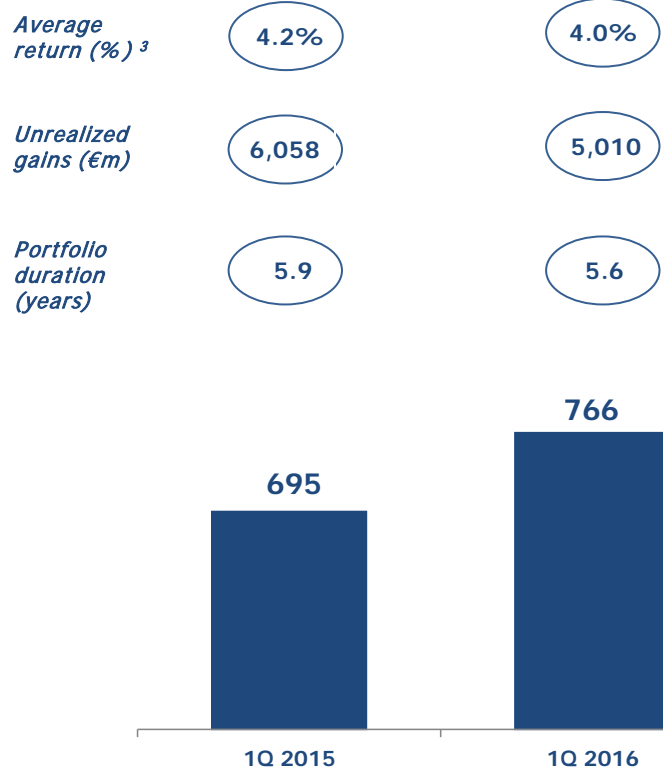
Revenue source	1Q 2016 €m <i>1Q 16 vs 1Q 15 (var. %)</i>	Rationale
Returns on Current Account Deposits	766 <i>+10.2%</i>	<ul style="list-style-type: none"> ▪ Increase mainly due to higher capital gains
Fees from Postal Savings Collection	407 <i>-1.3%</i>	<ul style="list-style-type: none"> ▪ Substantially stable
Fees from Transaction Banking	257 <i>-3.3%</i>	<ul style="list-style-type: none"> ▪ Lower revenues from delegated services, as well as payments slips and F23/F24
Distribution Fees	73 <i>+5.4%</i>	<ul style="list-style-type: none"> ▪ Increase mainly due to a better performance on personal loans.
Payment Card Fees	54 <i>-3.4%</i>	<ul style="list-style-type: none"> ▪ Lower fees from debt/prepaid cards
Total Revenues	1,556 <i>+3.9%</i>	

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

Average Deposit¹ (€m)



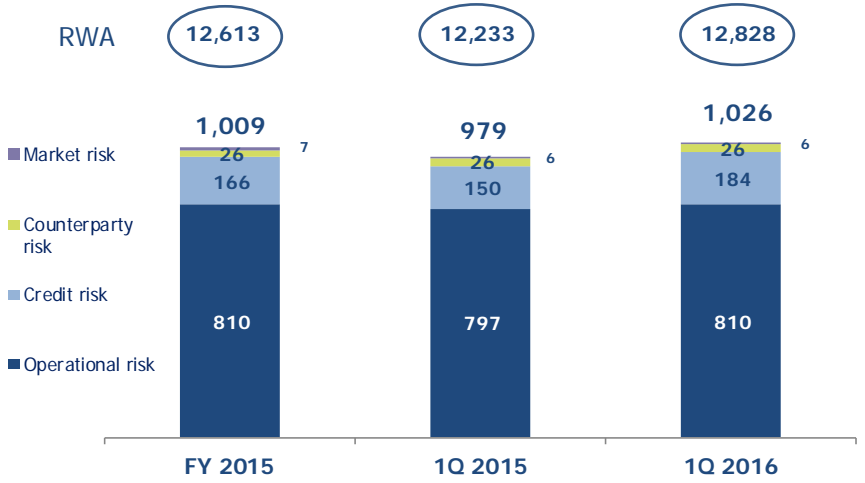
Active Portfolio Management Return² (€m)



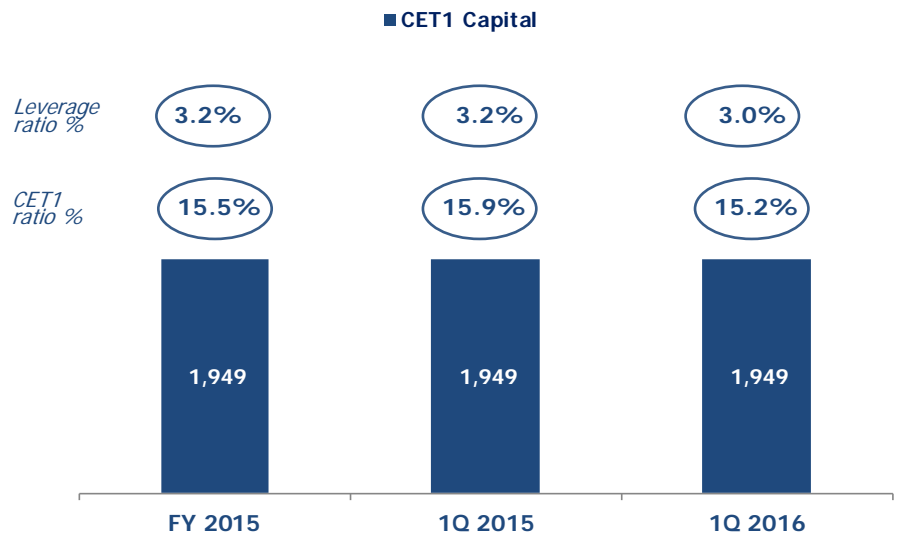
1. Including current accounts, time deposits and repurchase agreements
 2. Including interest income and realized capital gains
 3. Average yield calculated as interest income and realized capital gains on total financial assets

BancoPosta Regulatory Framework and Capital Position

Capital Requirements (€m)



Capital Position (€m)



Key regulatory constraints: 8% min. CET1 ratio¹ / 3% min. leverage ratio

Increasing business volumes (customer deposits) and value of securities lowered leverage ratio in 1Q 2016

CET1 ratio slightly decreasing in 1Q 2016 due to higher collaterals on derivatives

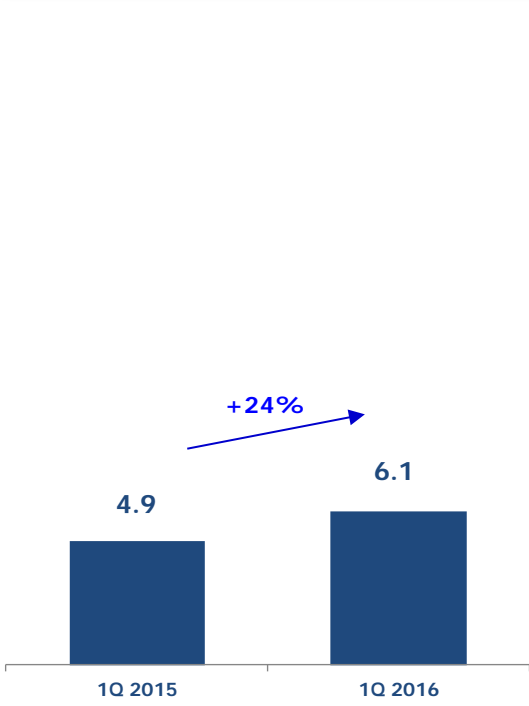
ROE² 1Q16 36,2% (vs 30% FY15)

1. 10,5% Min. CET1 ratio required to distribute earnings
 2. ROE LTM defined as net earnings/CET1 capital (excluding valuation reserves)

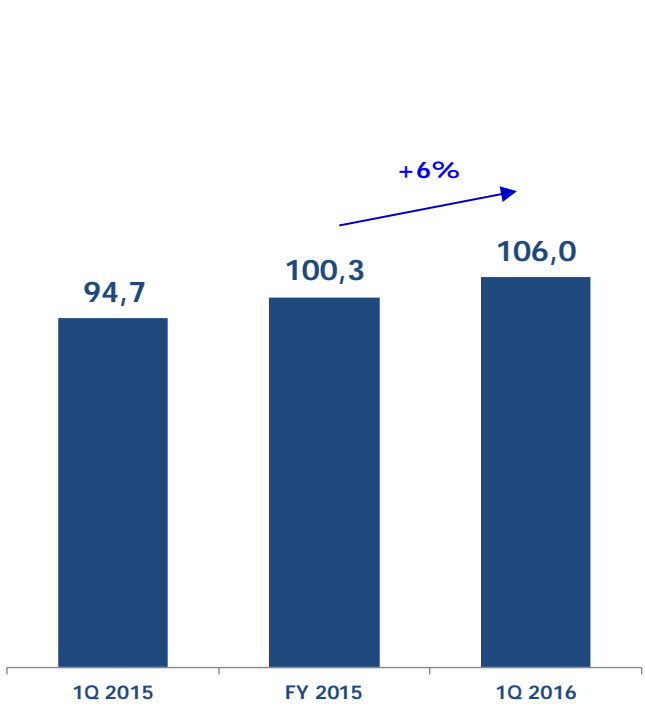


Focus on Insurance Services – Group GWP and Technical Reserves Evolution

Group GWP Evolution (€bn)



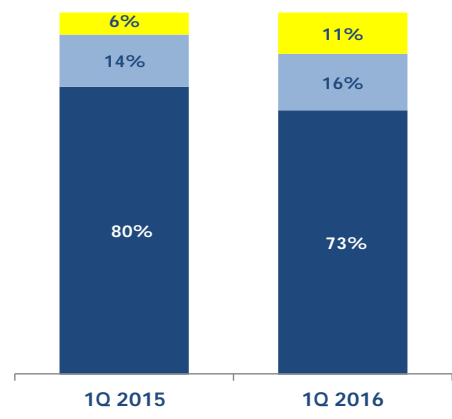
Group Net Technical Reserves Evolution (€bn)



Investment Portfolio Breakdown

Life guaranteed (Ramo I) investment mix

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



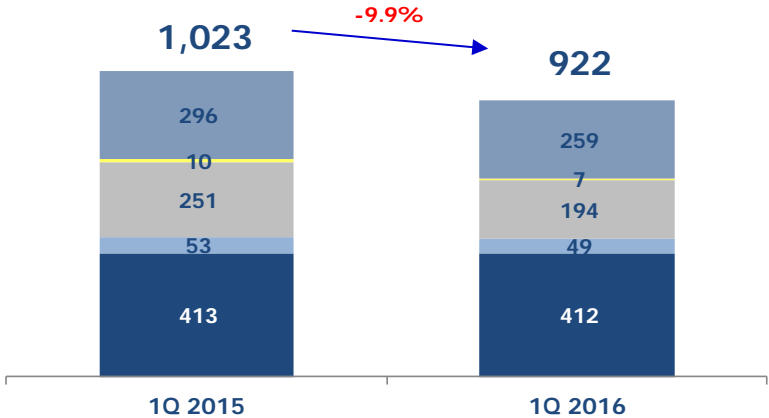
■ Govies
 ■ Corporate Bonds
■ Equity Funds

Investor Relations

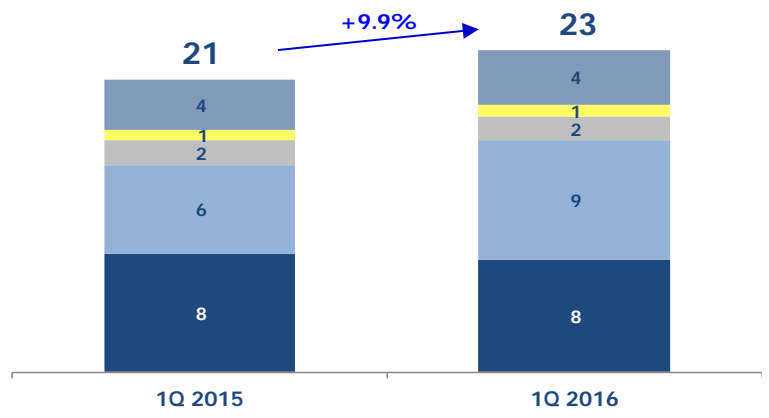


Focus on Mail & Parcels (1/2) – Volumes and Revenues Evolution

Volumes - Mail (m)

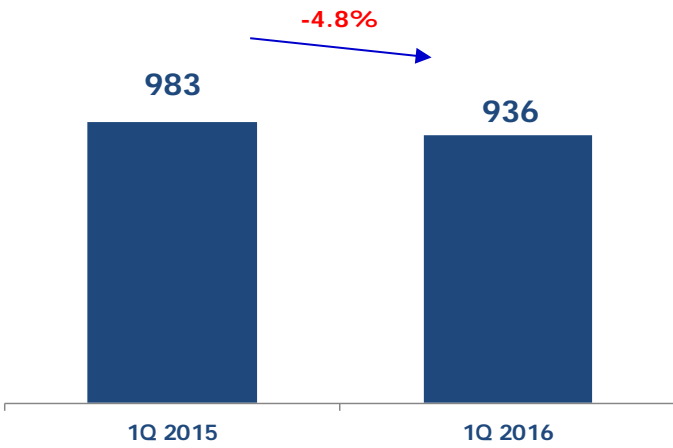


Volumes - Parcels (m)



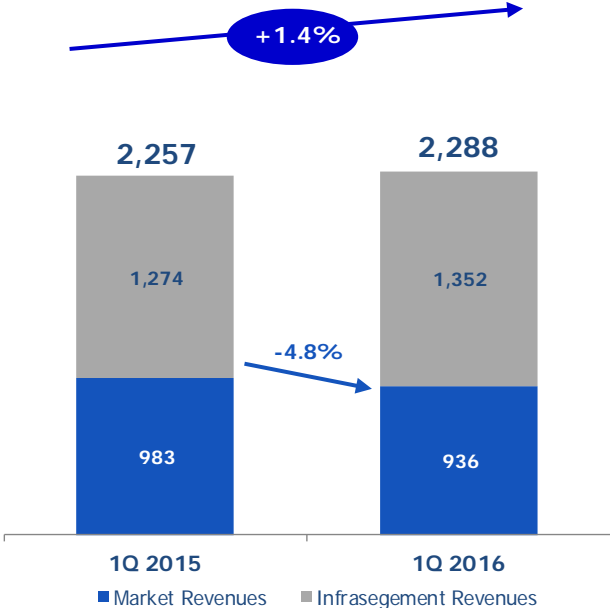
- Unrecorded Mail and Philately ■ Recorded Mail
- Direct Marketing and Unaddressed Mail ■ Integrated Services
- Other
- B2B ■ B2C ■ C2C ■ International ■ Other

Revenues - Mail & Parcels (€m)

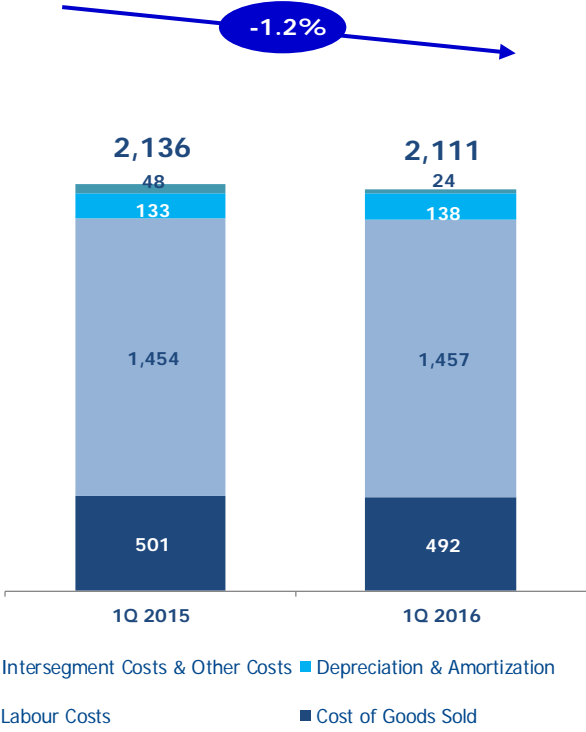


Focus on Mail & Parcels (2/2) – Revenues and Cost Structure

Total Revenues (€m)

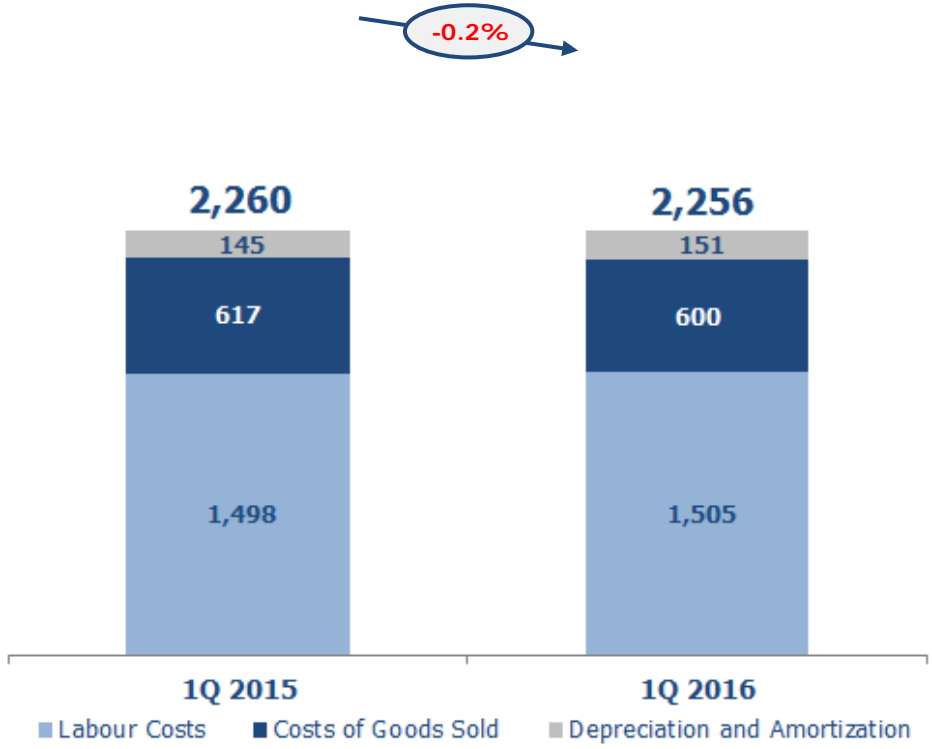


Operating Costs (€m)

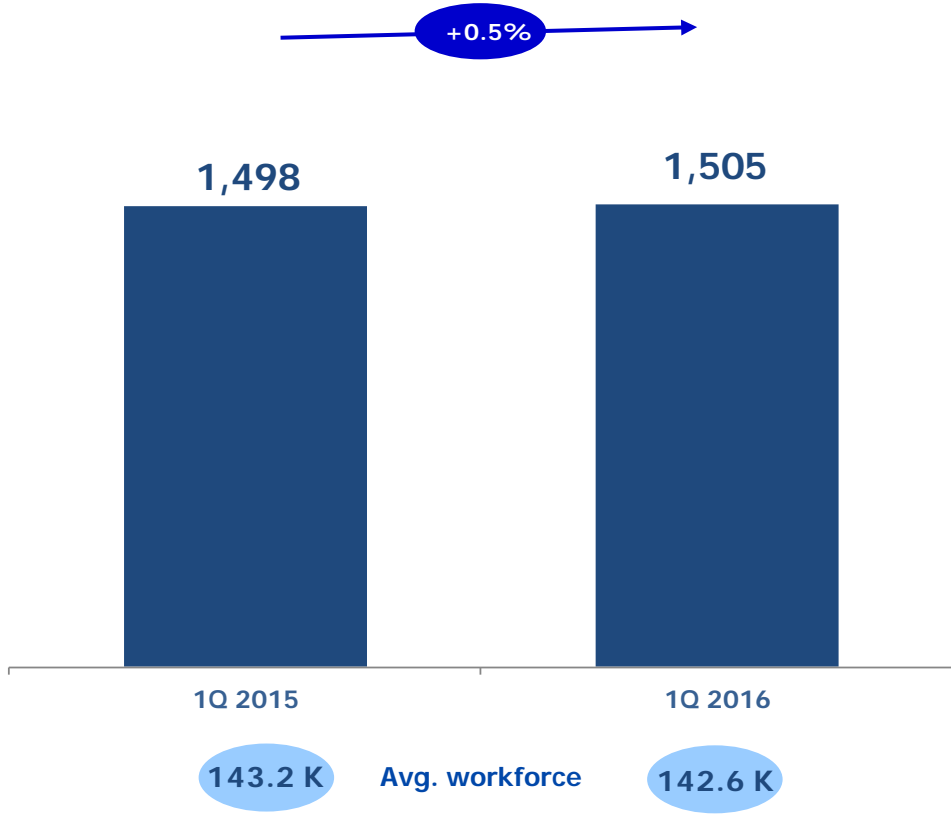


Total Group Operating Costs Evolution

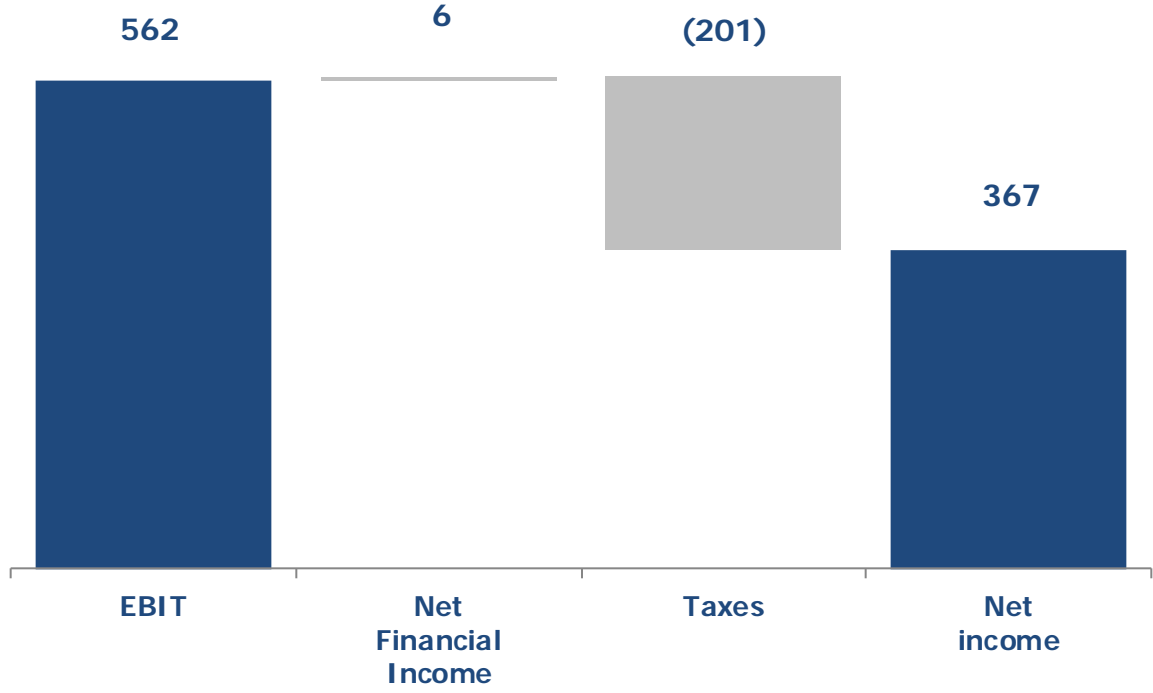
Group Operating Costs (€m)



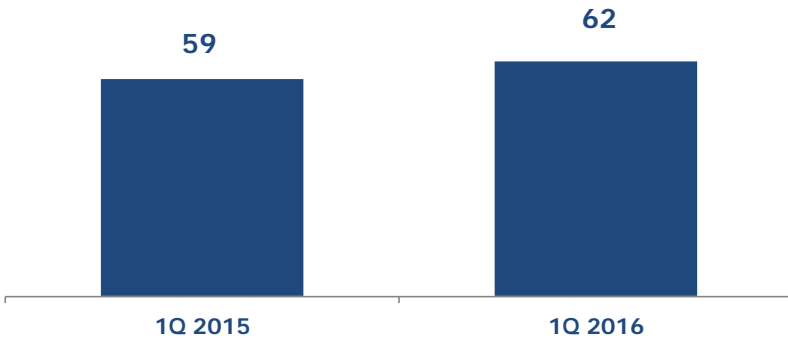
Cost Structure at Consolidated Level – Focus on labour costs (€m)



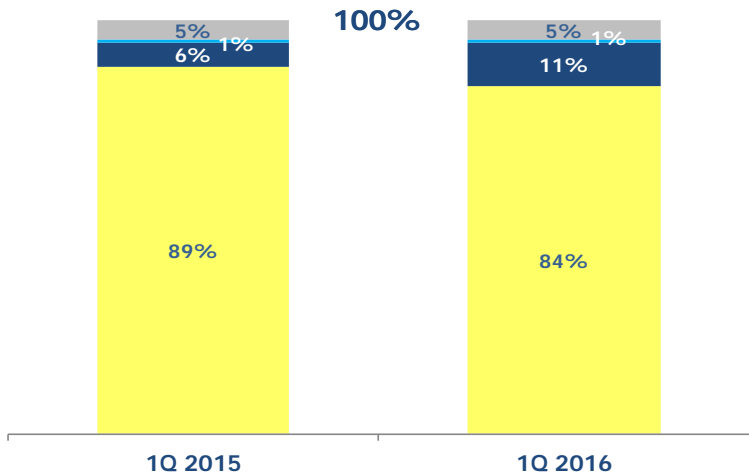
From Group EBIT to Net Income (€m)



Capex evolution (€m)

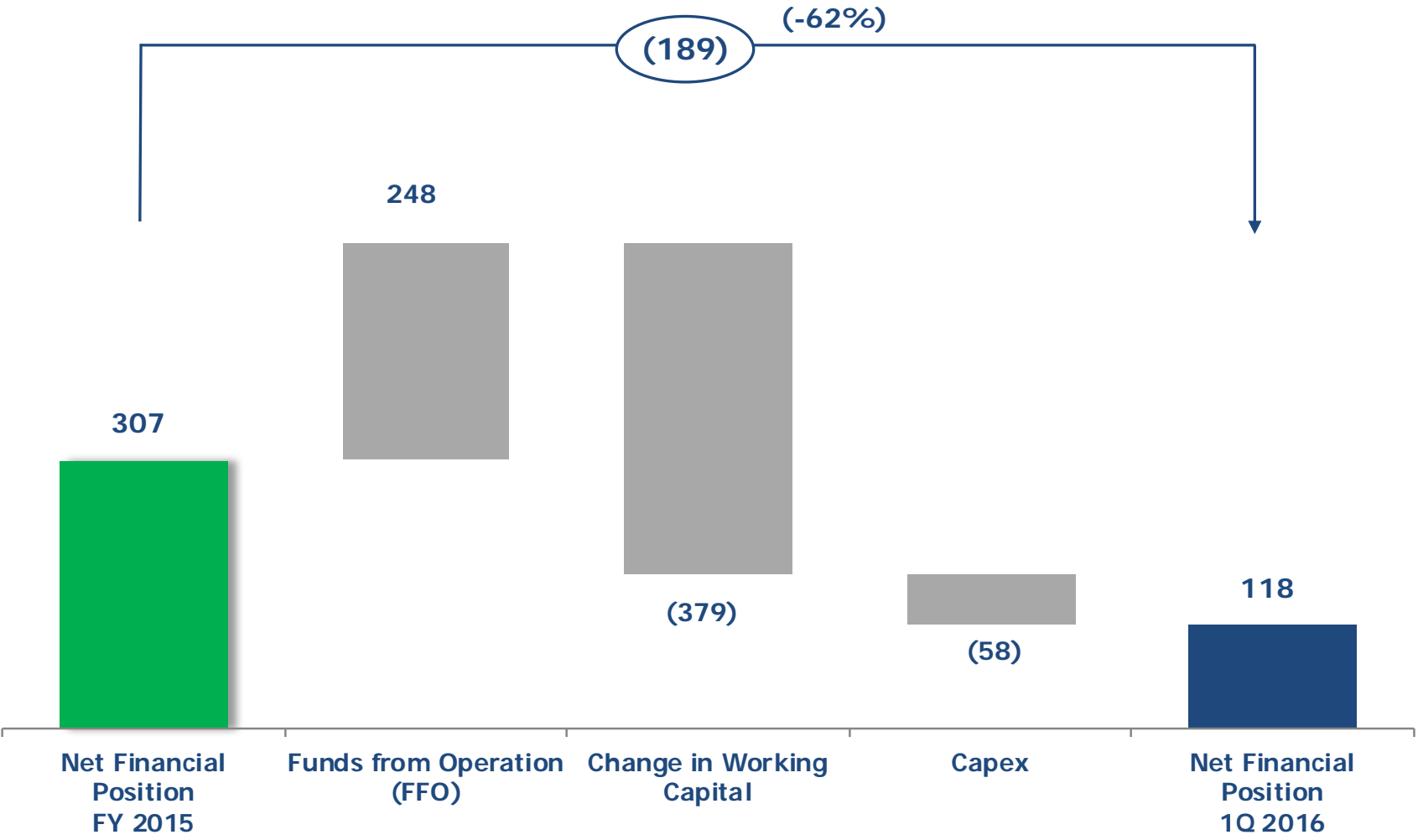


Capex Breakdown by Division (%)



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

Mail & Parcels and Other Services Net Financial Position (€m)



Q1 2016: a robust base to progress execution further

Financial Services

Most of capital gains for the year booked in Q1; good growth in current account deposits; focus is now on continued growth in personal loans; cross selling; consolidating net in-flows of deposits

Insurance Services & Asset Management

Continued growth in GWP life; gaining momentum in non-life and Asset Management. Execution of Asset allocation strategy

Mail & Parcels

Scaling up deployment of new delivery process. Early retirement plan on track ; restructuring charges to be booked in Q4 as per other years

Group

Robust cash generation and solid balance sheet to support capex , dividends at 80% of net earnings and potential strategic options, if value accretive



Good progress vs plan; Continued focus on execution



Appendix

Group Profit & Loss Statement – 1Q 2016

€m	1Q 2015	1Q 2016	Var. %
P&L			
Revenue from sales and services	2,221	2,161	(2.7%)
Insurance premium revenue	4,921	6,116	24.3%
Other income from financial and insurance activities	1,385	1,467	5.9%
Other operating income	16	15	(6.3%)
Sales	8,543	9,759	14.2%
Personnel costs	(1,498)	(1,505)	0.5%
Other operating expenses	(682)	(813)	19.2%
Net change in technical provisions for insurance business and other claims expenses	(5,734)	(6,728)	17.3%
Depreciation & amortization	(145)	(151)	4.1%
EBIT	484	562	16.1%
Net interest income / (Expense)	2	6	n. m.
Profit before tax	486	568	16.9%
Tax	(175)	(201)	14.9%
Net income	311	367	18.0%

Group Key Balance Sheet Items – 1Q 2016

€m	FY 2015	1Q 2016	Var. %
Balance sheet			
Cash & Equivalents	3,142	3,093	(1.6%)
BancoPosta related Cash	3,161	2,822	(10.7%)
Receivables & Inventory	2,158	2,261	4.8%
Financial Assets	160,090	168,279	5.1%
Tangible and Intangible Assets	2,796	2,705	(3.3%)
Other	4,489	4,583	2.1%
Total Assets	175,836	183,743	4.5%
Trade Payables	1,453	1,342	(7.6%)
Financial liabilities	57,478	59,454	3.4%
Technical Reserves	100,314	106,078	5.7%
Other	6,933	7,232	4.3%
Total Liabilities	166,178	174,106	4.8%
Shareholders capital	1,306	1,306	-
Reserves	8,352	8,331	(0.3%)
Totale Equity	9,658	9,637	(0.2%)
Total Liabilities & Equity	175,836	183,743	4.5%

Group Cash Flow Statement – 1Q 2016

€m	1Q 2015	1Q 2016	Var. %
Cashflow statement			
Net income	311	367	18.0%
Depreciation and amortization	145	151	4.1%
Net provisions for risks and charges	125	115	(8.0%)
(Use of Provisions for risks and charges)	(74)	(106)	43.2%
Net change in employee termination benefits and pension plans	(25)	(33)	32.0%
Other	6	10	66.7%
FFO	488	504	3.3%
Change in working capital	487	159	(67.4%)
Cash flow from operations	975	663	(32.0%)
Capital expenditures	(59)	(62)	5.1%
Disposals	1	2	n.m.
Cash flow from investments	(58)	(60)	(3.4%)
Cash Flow from financial assets and liabilities	(1,504)	(652)	56.6%
Shareholders' transactions	0	0	n.m.
Cash flow from financing	(1,504)	(652)	56.6%
Net change in cash	(587)	(49)	91.7%

Group Working Capital – 1Q 2016

€m	FY 2015	1Q 2016	Var.%
Working Capital			
Trade receivables	2,346	2,361	0.6%
Inventories	134	134	-
Other receivables and assets	3,200	3,357	4.9%
Current tax receivables	72	73	1.4%
Trade payables	(1,453)	(1,342)	(7.6%)
Other liabilities	(2,945)	(3,192)	8.4%
Current tax liabilities	(53)	(260)	n.m.
Working Capital	1,301	1,131	(13.1%)
Deferred tax asset	623	643	3.2%
Deferred tax liabilities	(1,177)	(1,038)	(11.8%)
Working Capital and deferred taxes	747	736	(1.5%)

Change in Group Working Capital – 1Q 2016

€m	1Q 2015	1Q 2016	Var. %
Change in Working Capital per cash flow statement			
Trade receivables	372	(15)	n.m.
Inventories	2	--	n.m.
Other receivables and assets	257	(157)	n.m.
Current tax receivables	6	(1)	n.m.
Trade payables	(81)	(111)	37.0%
Other liabilities	(239)	247	n.m.
Current tax liabilities	191	207	8.4%
Deferred tax assets	45	(20)	n.m.
Deferred tax liabilities	318	(139)	n.m.
Total	871	11	(98.7%)
Financial Income on discounted receivables	3	2	(33.3%)
Net write-downs and loss on receivables	(3)	(7)	n.m.
Deferred tax on fair value changes and TFR actuarial incor	(384)	153	n.m.
Adjustments (non monetary items and shareholders' transactions)	(384)	148	n.m.
Change in Working Capital per cash flow statement	487	159	(67.4%)

Mail & Parcels Key Balance Sheet Items – 1Q 2016

€m	1Q 2016
Assets	
Property, plant and equipment	2,084
Investment property	59
Intangible assets	414
Investments ¹	1,887
Financial assets	1,061
Trade receivables	4
Deferred tax assets	449
Other receivables and assets	160
Total Non-current assets	6,118
Inventories	130
Trade receivables	1,987
Current tax assets	98
Other receivables and assets	272
Financial assets	438
Cash and cash equivalents	1,446
Total Current assets	4,371
Total Assets	10,489

€m	1Q 2016
Equity and Liabilities	
Totale Equity	2,710
Provisions for risks and charges	262
Employee termination benefits and pension plans	1,304
Financial liabilities	1,257
Deferred tax liabilities	23
Other liabilities	70
Total Non-current liabilities	2,916
Provisions for risks and charges	735
Trade payables	1,208
Current tax liabilities	67
Other liabilities	1,242
Financial liabilities	1,611
Total Current liabilities	4,863
Totale Equity and Liabilities	10,489

1. It includes investments accounted for at cost in other sectors

Mail & Parcels and Other Services Net Debt Breakdown – 1Q 2016

€m	FY 2015 ²	1Q 2016	Var. %
Net Debt - Mail & Parcels and Other Services			
Cash and Cash Equivalents	1,332	1,455	9.2%
Current Financial Assets	169	167	(1.2%)
Short term debt	(516)	(12)	(97.7%)
Current part of long term debt	(15)	(20)	33.3%
Other current financial liabilities	(21)	(18)	(14.3%)
Current Financial Position	(552)	(50)	(90.9%)
Current Net Financial Position	949	1,572	65.6%
Long term debt	(400)	(400)	-
Bonds	(798)	(797)	(0.1%)
Other non current financial liabilities	(56)	(63)	12.5%
Non Current Financial Position	(1,254)	(1,260)	0.5%
Net Financial Position	(305)	312	n.m.
Non current financial assets	553	661	19.5%
Net Financial Position - Mail & Parcel and Other Services	248	973	n.m.
Intersegment financial receivables	674	671	(0.4%)
Intersegment financial payables	(615)	(1,526)	n.m.
Net Financial Position (net of intersegments) ¹	307	118	(61.6%)

1. Including a Net Financial Position of Other Services (€41m for the first quarter 2016 and €38m in 2015)

2. Poste Tributi previously included in Mail & Parcel sector has been reclassified to Financial Services

Financial Services – Profit & Loss

€m	1Q 2015	1Q 2016	Var.%
P&L			
Total revenue	1,632	1,710	4.7%
<i>o/w Market revenue</i>	<i>1,497</i>	<i>1,556</i>	<i>3.9%</i>
<i>o/w Intercompany revenue</i>	<i>135</i>	<i>154</i>	<i>13.6%</i>
Personnel costs	(31)	(33)	4.8%
Other operating expenses	(1,351)	(1,410)	4.4%
EBITDA	250	267	6.7%
<i>EBITDA margin</i>	<i>15.3%</i>	<i>15.6%</i>	
Depreciation and amortisation	(0)	(0)	n. m.
EBIT	250	267	6.8%
<i>EBIT margin</i>	<i>15.3%</i>	<i>15.6%</i>	

Insurance and Asset Management – Profit & Loss

€m	1Q 2015	1Q 2016	Var. %
P&L			
Total revenue	5,999	7,210	20.2%
<i>o/w Market revenue</i>	<i>5,999</i>	<i>7,210</i>	<i>20.2%</i>
<i>o/w Intercompany revenue</i>	<i>0</i>	<i>0</i>	<i>28.3%</i>
Personnel costs	(7)	(10)	45.3%
Other operating expenses	(5,893)	(7,088)	20.3%
EBITDA	99	111	12.6%
<i>EBITDA margin</i>	<i>1.6%</i>	<i>1.5%</i>	
Depreciation and amortisation	(2)	(4)	65.1%
EBIT	97	108	11.3%
<i>EBIT margin</i>	<i>1.6%</i>	<i>1.5%</i>	

Mail & Parcels – Profit & Loss

€m	1Q 2015	1Q 2016	Var. %
P&L			
Total revenue	2,257	2,288	1.4%
<i>o/w Market revenue</i>	983	936	(4.8%)
<i>o/w Intercompany revenue</i>	1,274	1,352	6.1%
Personnel costs	(1,454)	(1,457)	0.2%
Other operating expenses	(549)	(516)	(6.0%)
EBITDA	254	315	24.0%
<i>EBITDA margin</i>	11.3%	13.8%	
Depreciation and amortisation	(133)	(138)	3.8%
EBIT	121	177	46.3%
<i>EBIT margin</i>	5.4%	7.7%	

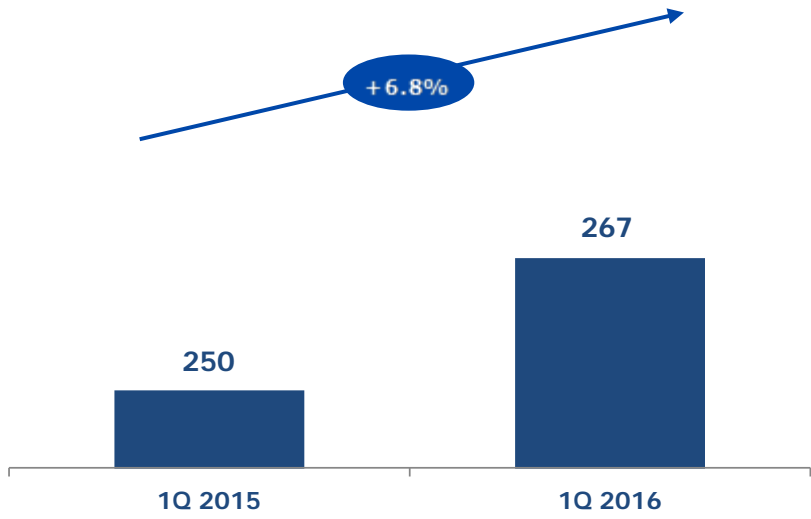
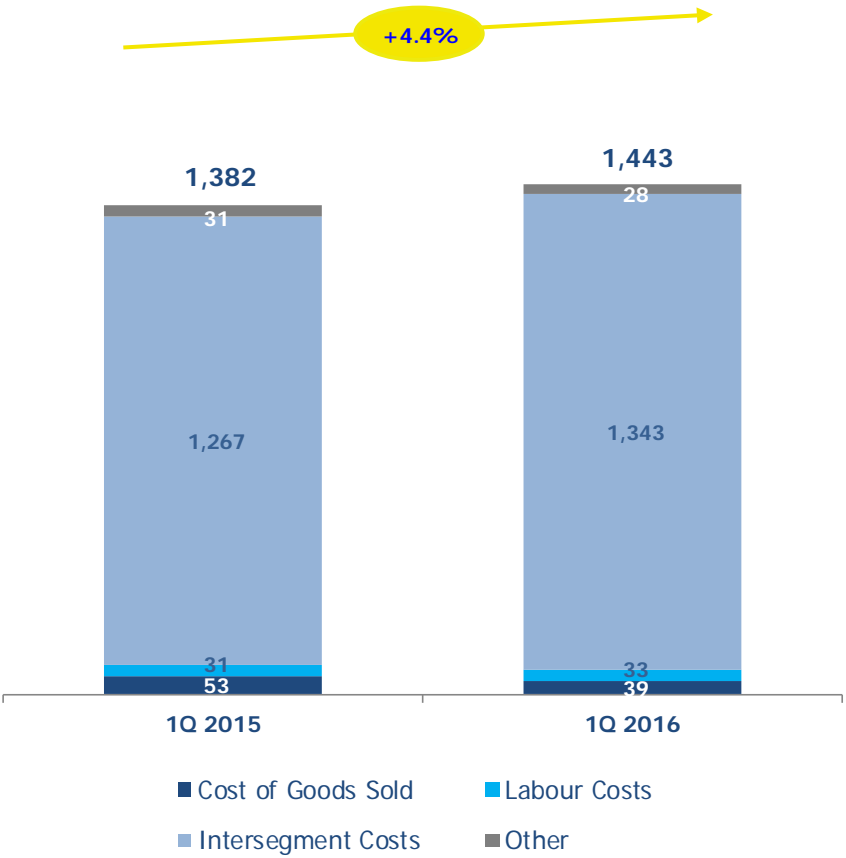
Other Services – Poste Mobile Key Financials

€m	1Q 2015	1Q 2016	Var. %
P&L			
Total revenue	86	79	(7.2%)
<i>o/w Market revenue</i>	64	58	(10.0%)
<i>o/w Intercompany revenue</i>	22	22	1.0%
Personnel costs	(6)	(5)	(6.6%)
Other operating expenses	(56)	(54)	(2.2%)
EBITDA	24	20	(18.8%)
<i>EBITDA margin</i>	<i>28.6%</i>	<i>25.0%</i>	
Depreciation and amortisation	(9)	(9)	7.1%
EBIT	16	10	(33.2%)
<i>EBIT margin</i>	<i>18.3%</i>	<i>13.2%</i>	
Non-operating income/(expenses)	(0)	(0)	157.8%
Profit before taxes	16	10	(34.2%)
Taxes	(5)	(3)	(39.3%)
Profit after taxes	10	7	(31.7%)
Cash flow statement			
FFO	20	17	(14.2%)
Cash flow from investments	(3)	(6)	(75.7%)
Net change in cash	(10)	(8)	22.1%
Other key data			
Average number of users (sim cards -#k)	3,354	3,612	7.7%
ARPU (€)	5.3	4.8	(10.3%)

Financial Services – Cost Structure and Profitability at Divisional Level

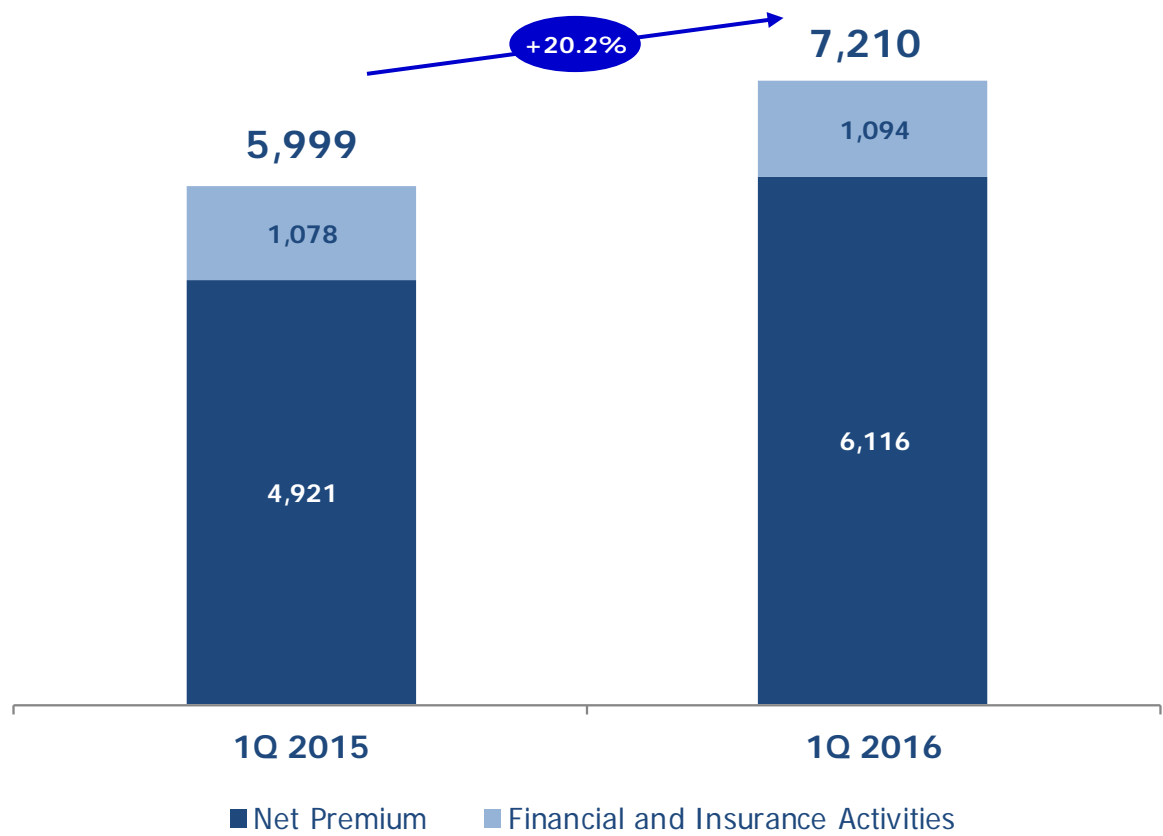
Financial Services – Operating Costs (€m)

Financial Services – Operating Profit (€m)¹



1. Includes intersegment revenues

1Q 2016 Results – Focus on Insurance and Asset Management

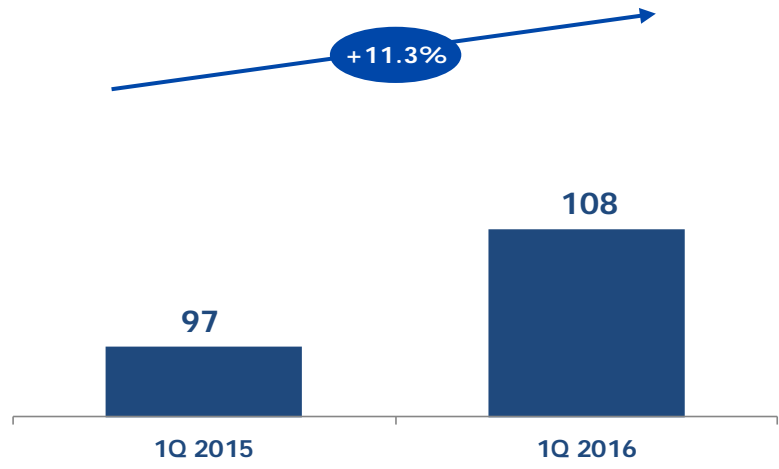
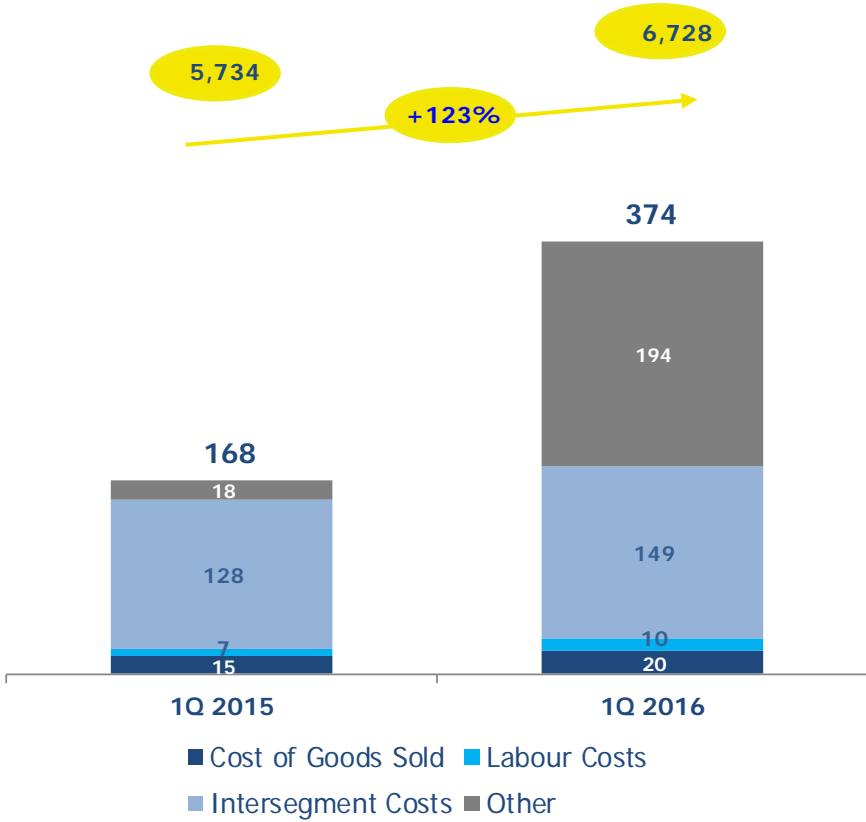


Insurance and Asset Management – Cost Structure and Profitability at Divisional Level

Insurance and Asset Management – Operating Costs (€m)

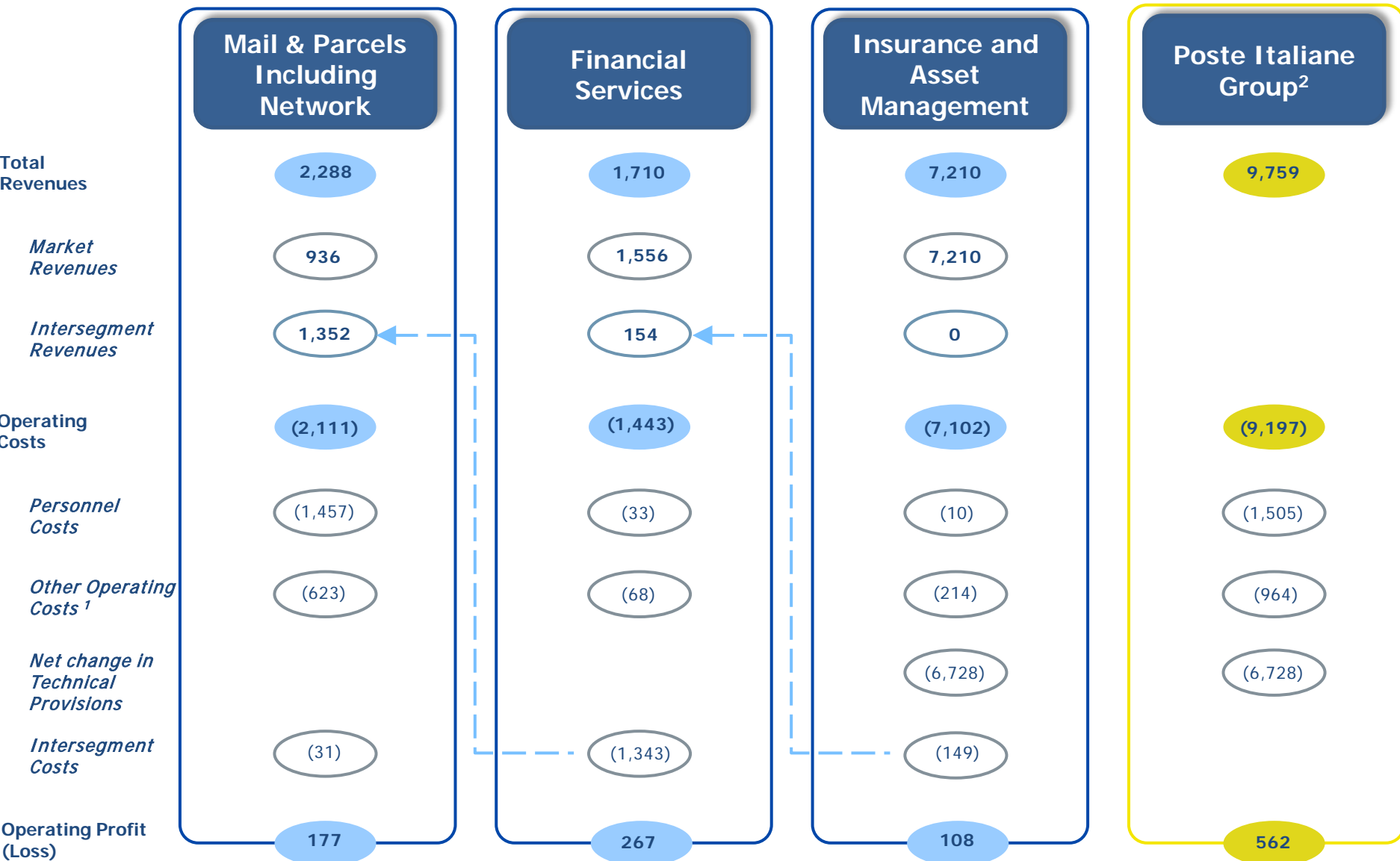
Insurance and Asset Management – Operating Profit (€m)¹

Change in Insurance
Technical Provisions



1. Includes intersegment revenues

Segment Flow Description – 1Q 2016 (€m)



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



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