



1H 2016 Results

August 2, 2016

Opening Remarks (€m)

	1H 2015	1H 2016	Var %
Revenues	15,950	17,682	+11%
EBIT	638	843	+32%
Net Profit	435	565	+30%



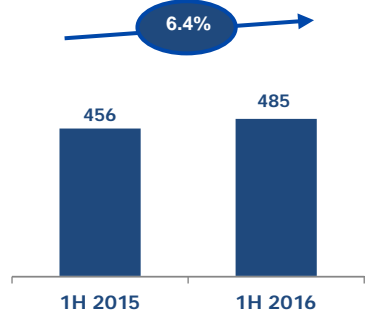
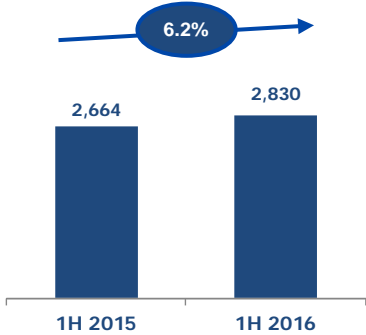
Continuous positive performance supporting higher cash generation serving capex and dividends

1H 2016: Figures Highlights

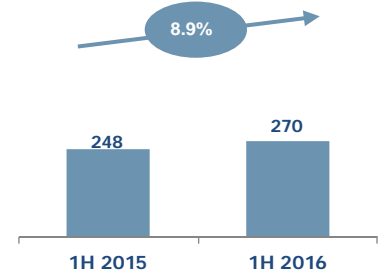
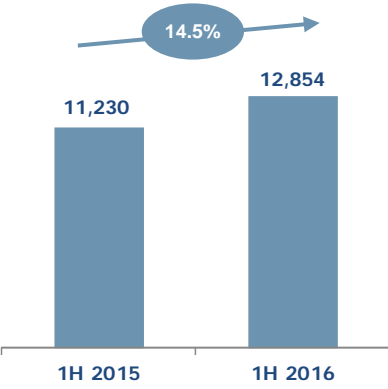
Revenues¹

Operating Profit

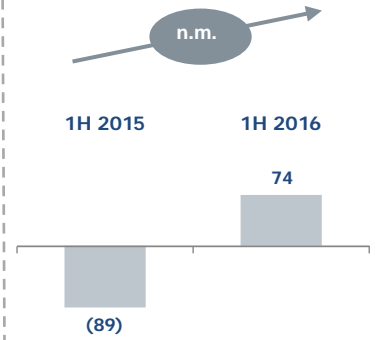
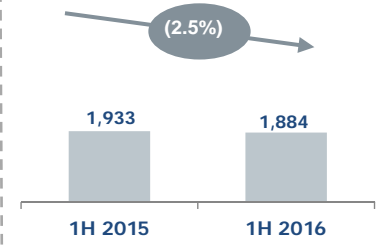
Financial Services (€m)



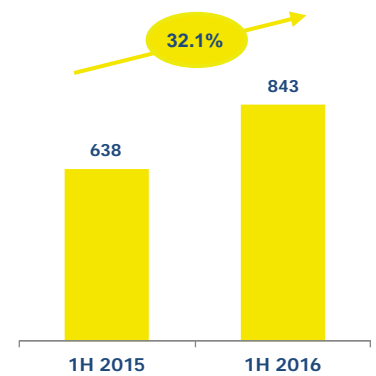
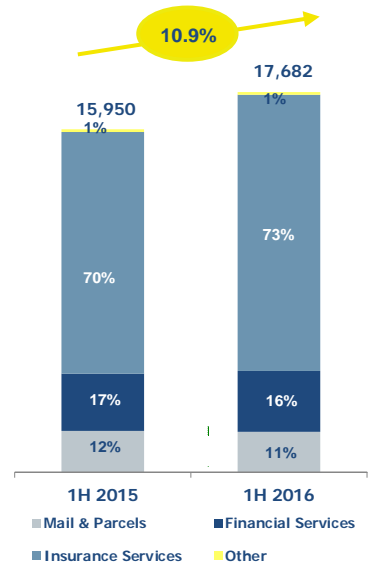
Insurance & Asset Management (€m)



Mail & Parcels (€m)

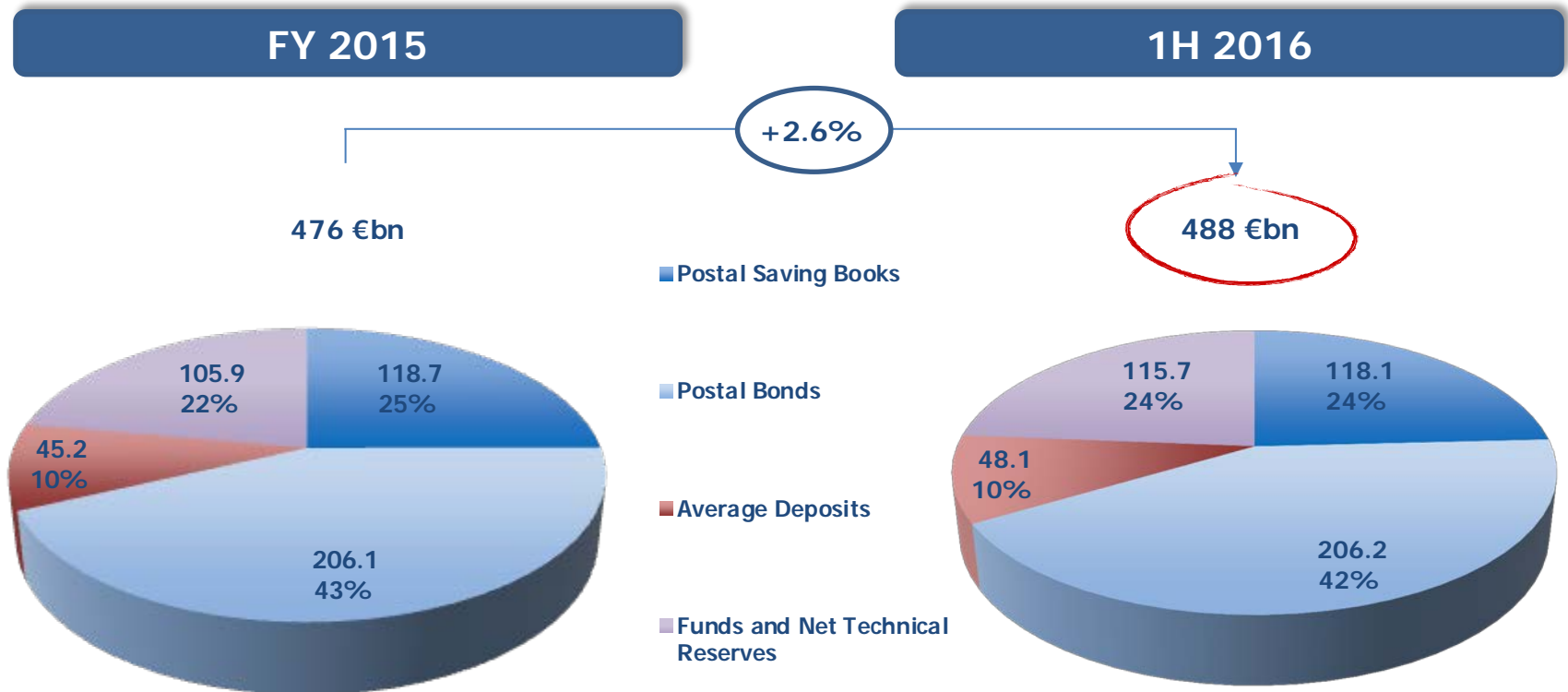


Poste Italiane Group (€m)²



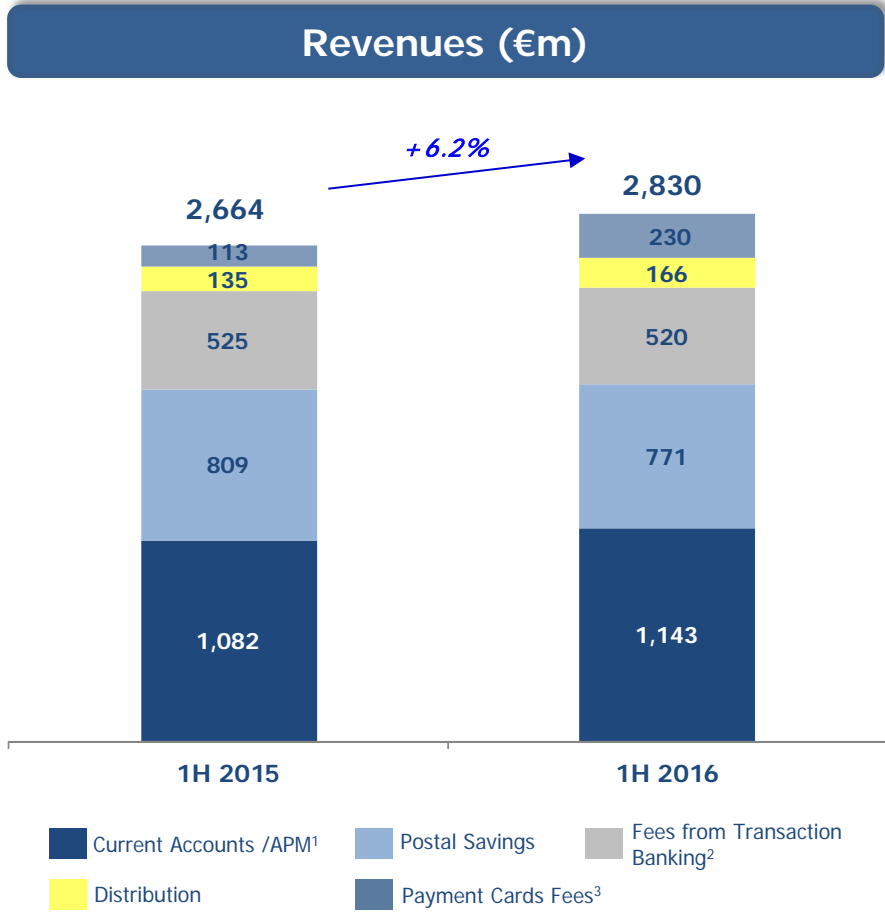
1. Net of Intersegment revenues
 2. Including other segments (PosteMobile and "Consorzio Telefonia Mobile")

Total Assets Under Management/Administration



Trust, brand and proximity as a lever of growth in well balanced clients' assets

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

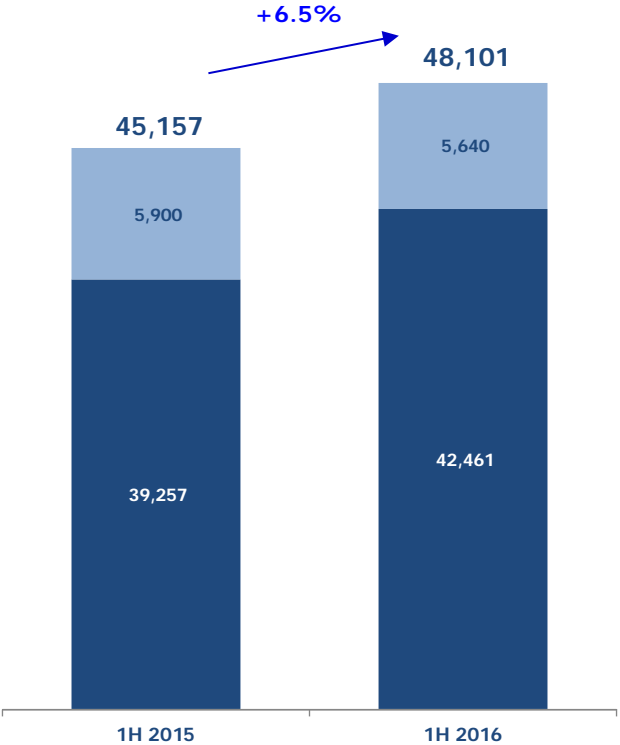
3. Payment Card Fees includes a one-off capital gain of €121 million related to the acquisition and merger of Visa Europe Ltd with the US-registered company, Visa Incorporated

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

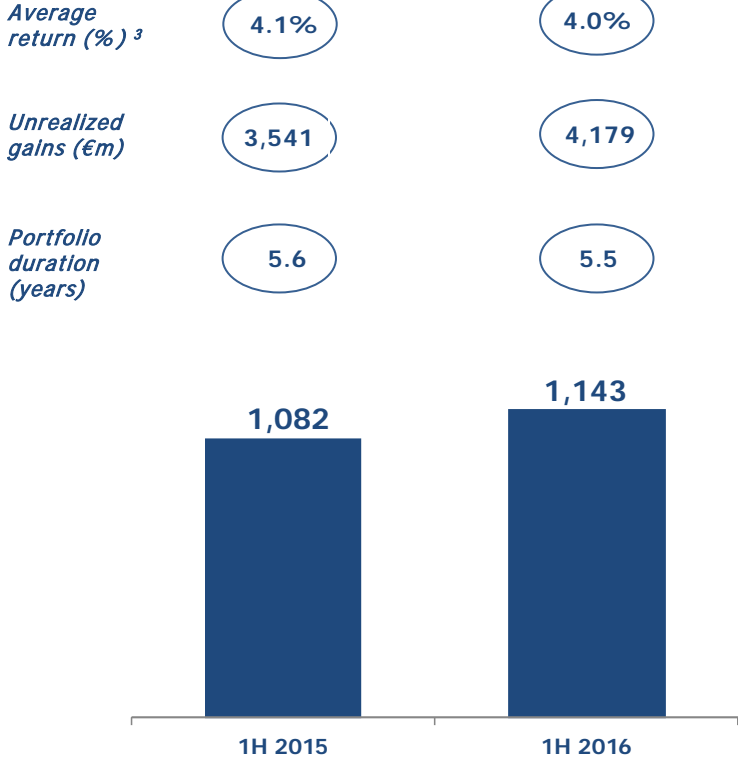
Revenue source	1H 2016 €m <i>1H 16 vs 1H 15 (var. %)</i>	Rationale
Returns on Current Account Deposits	1,143 <i>+5.6%</i>	<ul style="list-style-type: none"> ▪ Increase mainly due to higher capital gains
Fees from Postal Savings Collection	771 <i>-4.7%</i>	<ul style="list-style-type: none"> ▪ Lower fees related to lower recognized commercial costs
Fees from Transaction Banking	520 <i>-1.0%</i>	<ul style="list-style-type: none"> ▪ Substantially stable. Lower revenues from delegated services are partially offset by higher revenues from payments slips
Distribution Fees	166 <i>+23.0%</i>	<ul style="list-style-type: none"> ▪ Increase mainly due to a better performance on personal loans
Payment Card Fees	230 <i>n.m.</i>	<ul style="list-style-type: none"> ▪ Includes a one-off capital gain from VISA Europe and higher revenues from Postepay Evolution offset by lower fees from debt/prepaid cards
Total Revenues	2,830 +6.2%	

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

Average Deposit¹ (€m)

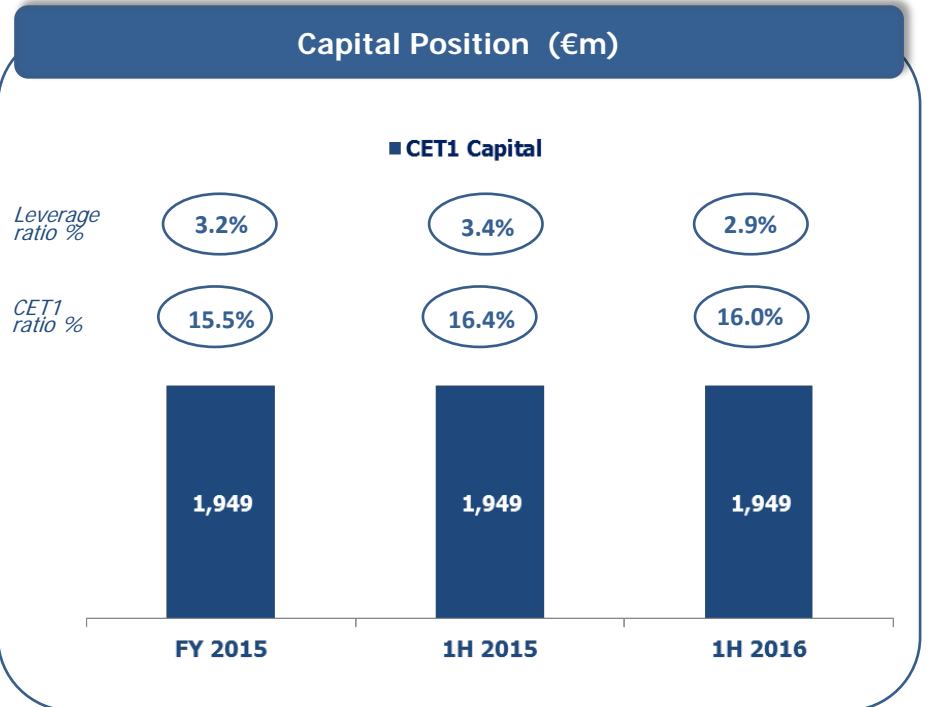
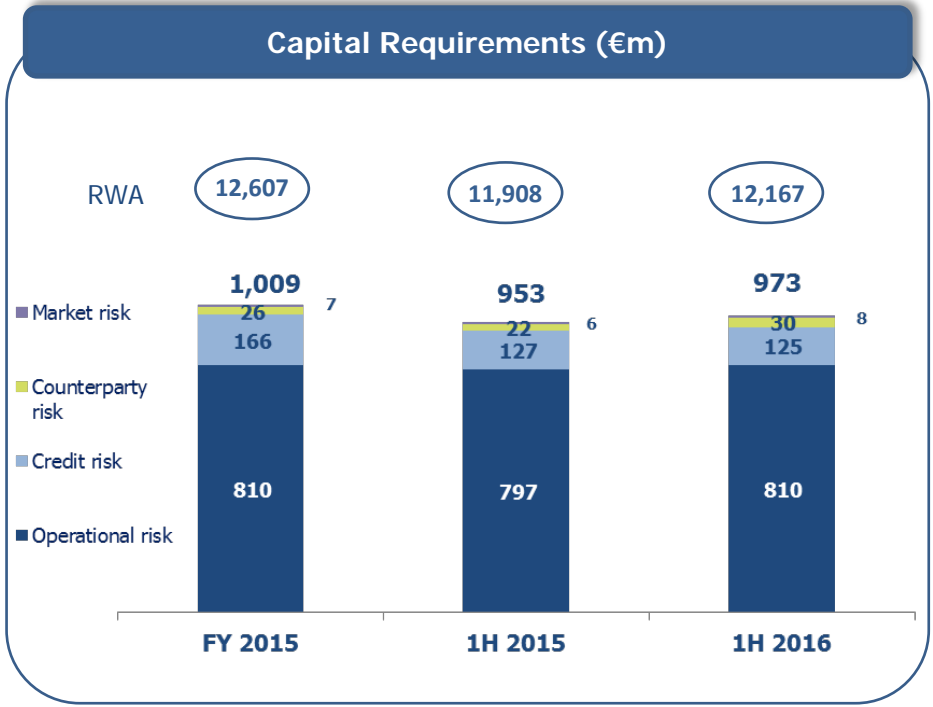


Active Portfolio Management Return² (€m)



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

BancoPosta Regulatory Framework and Capital Position



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

Increasing business volumes (customer deposits) and value of securities lowered leverage ratio in 1H16

ROE ² @ 36% (vs. 31% in 1H15)

1. 10.5% Min. CET1 ratio required to distribute earnings
 2. ROE defined as annualized net earnings/CET 1 capital (excluding valuation reserves); interim indexes may not be representative of FY results due to seasonality of earnings

Focus on Insurance & Asset Management – Group GWP and Technical Reserves Evolution

Group GWP Evolution (€bn)

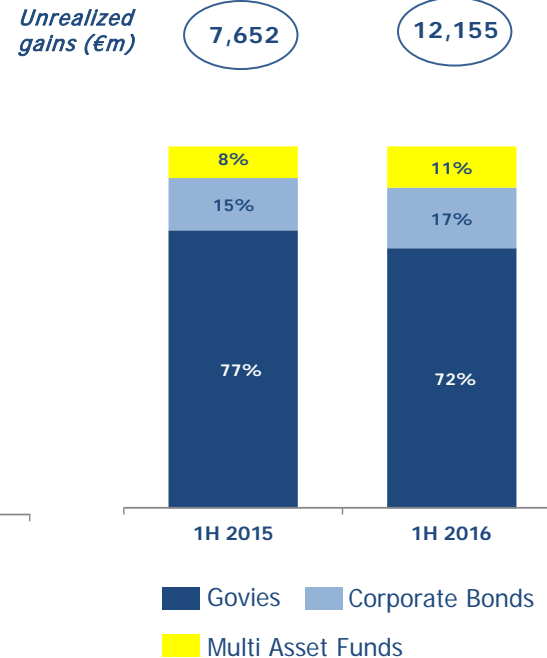
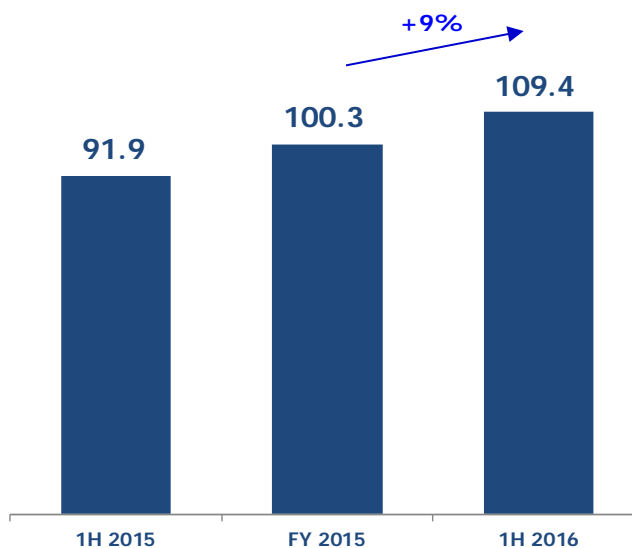
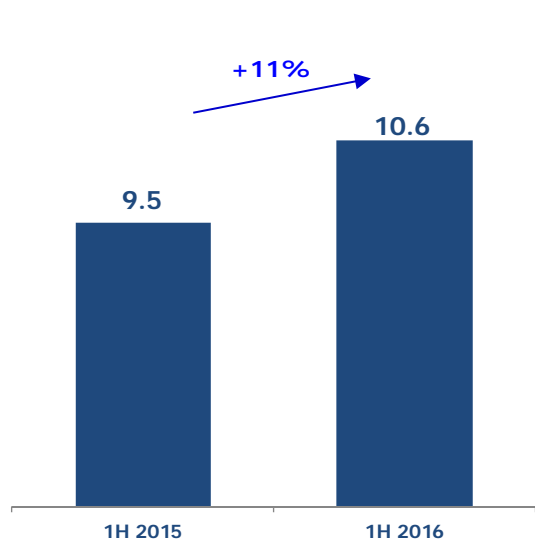
Group Net Technical Reserves Evolution (€bn)

Investment Portfolio Breakdown

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

Life guaranteed (Ramo I) investment mix

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

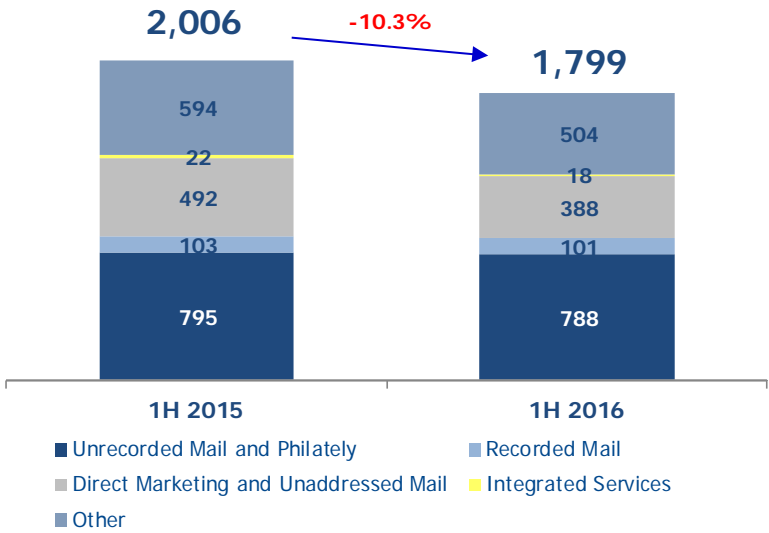


Investor Relations

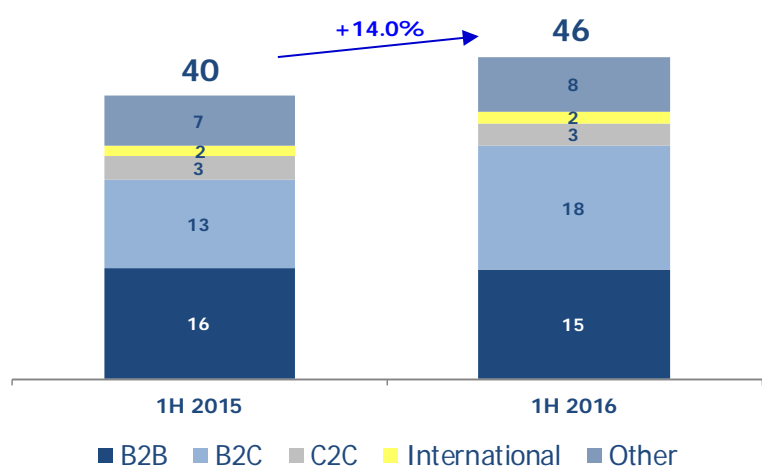
Posteitaliane

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

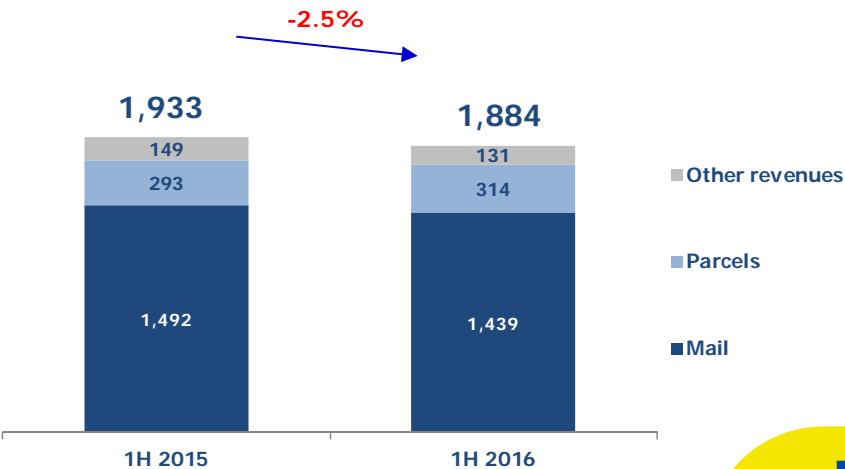
Volumes - Mail (m)



Volumes - Parcels (m)

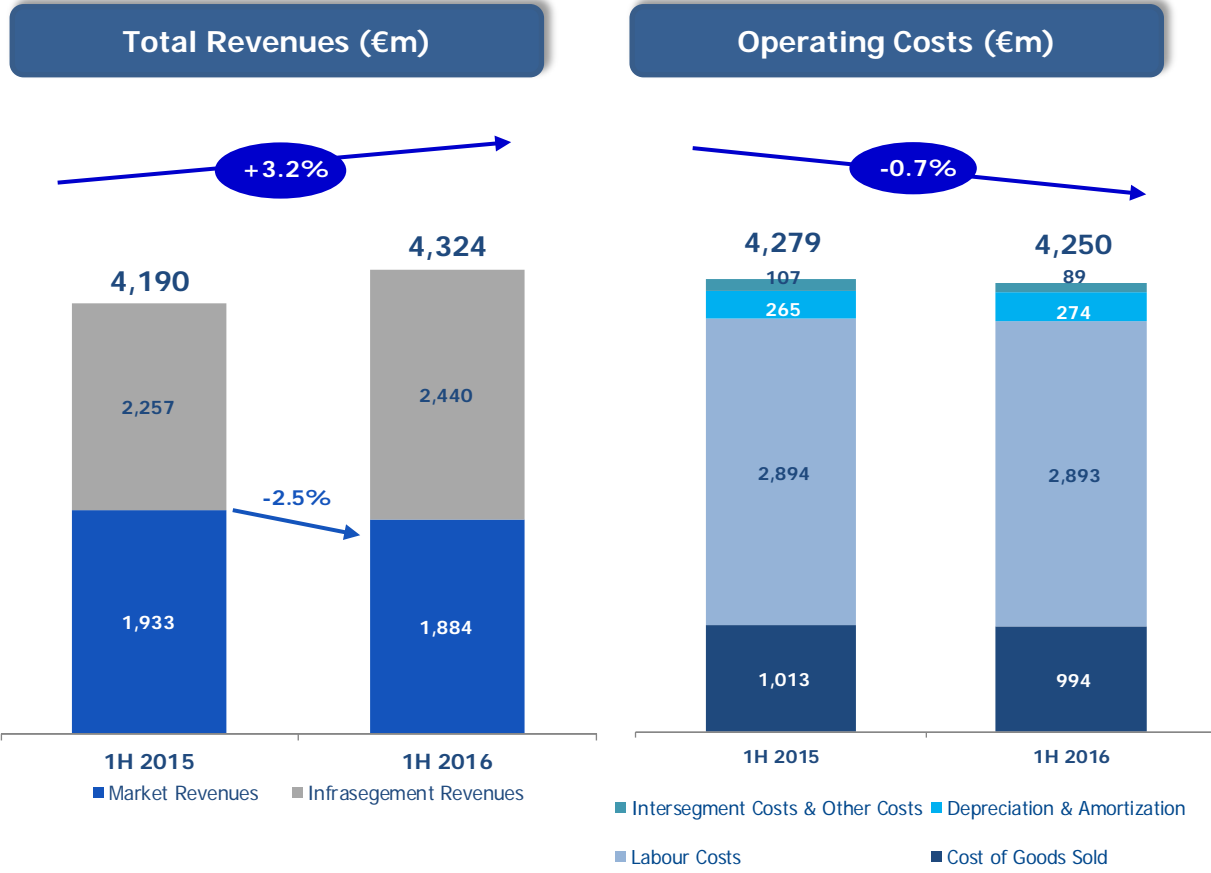


Revenues - Mail & Parcels (€m)



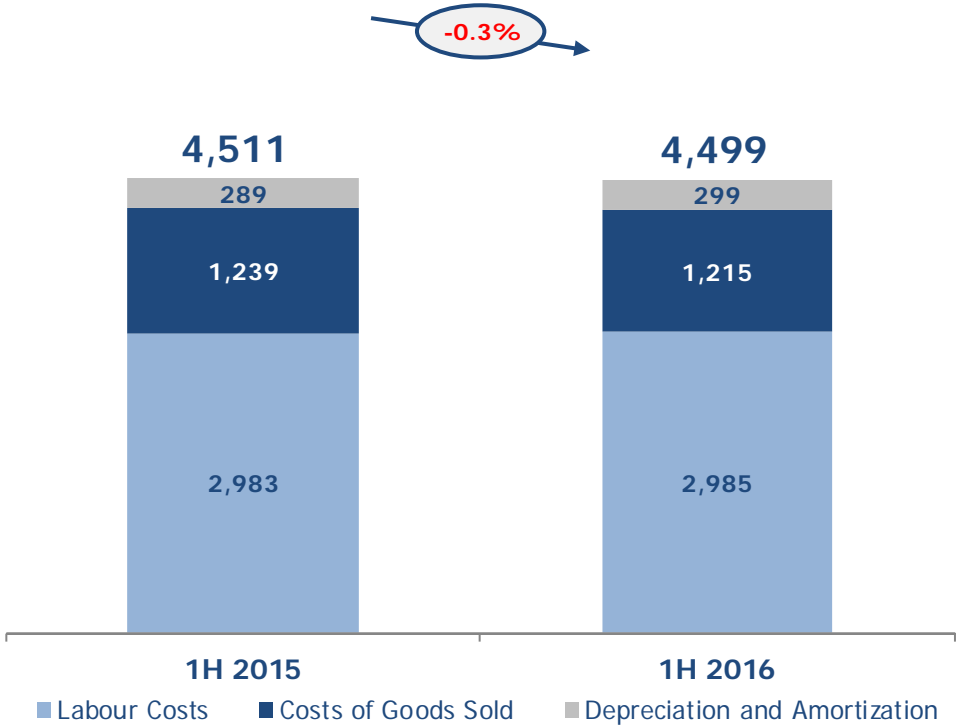
Investor Relations

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

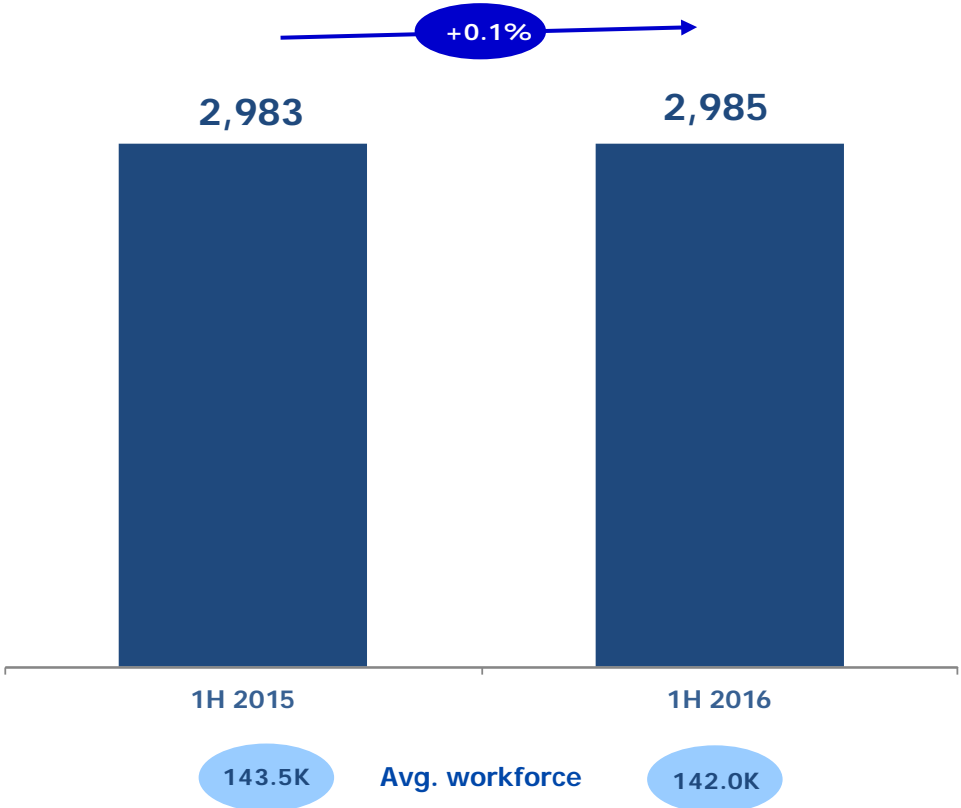


Total Group Operating Costs Evolution

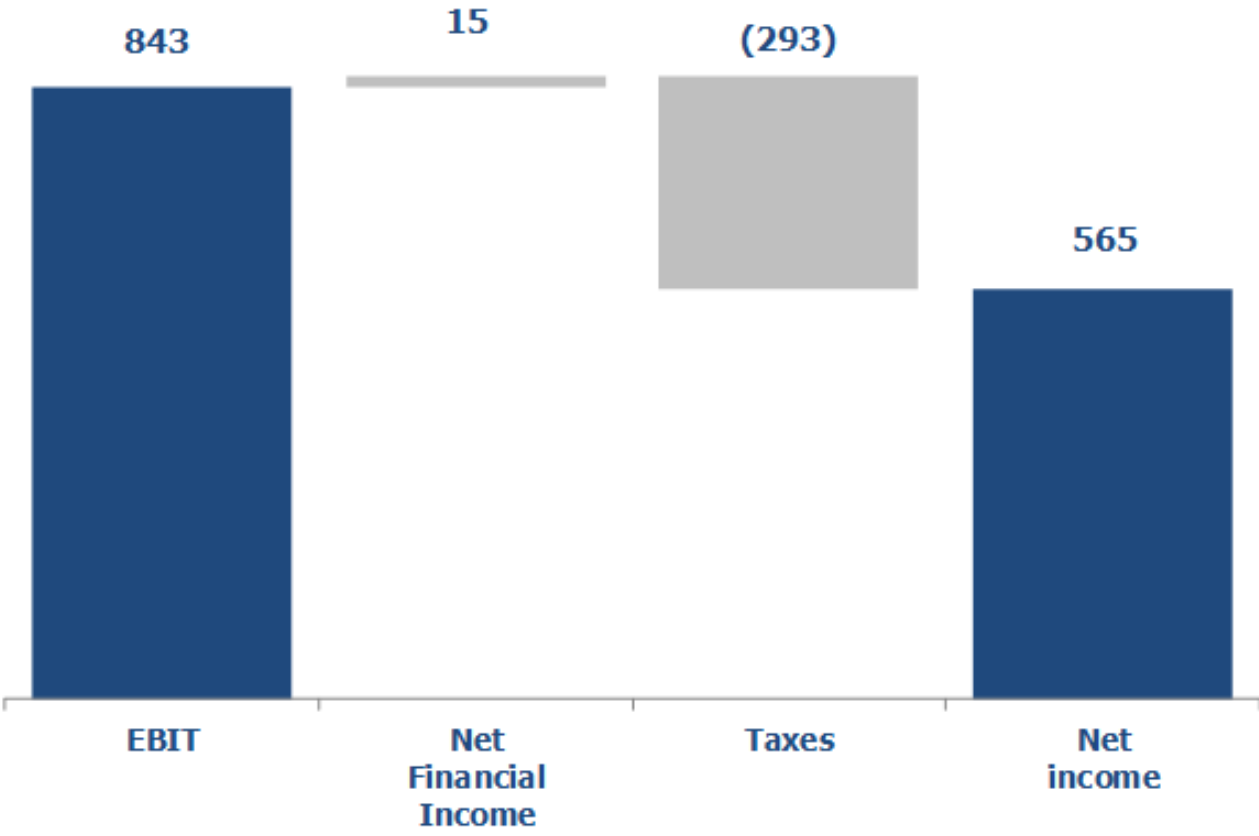
Group Operating Costs (€m)



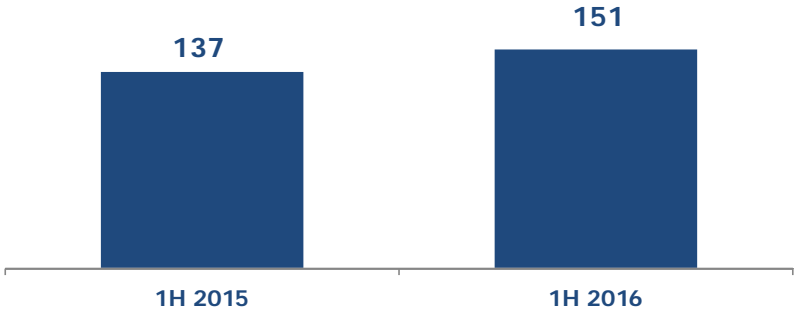
Cost Structure at Consolidated Level – Focus on labour costs (€m)



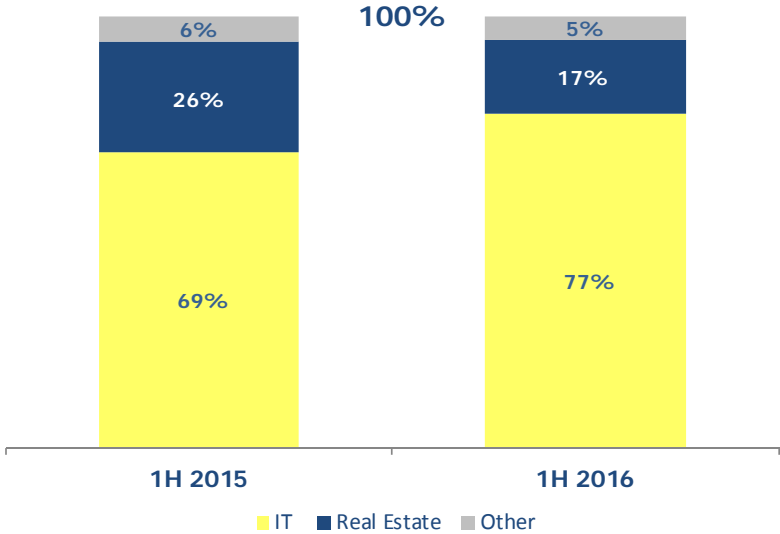
From Group EBIT to Net Income (€m)



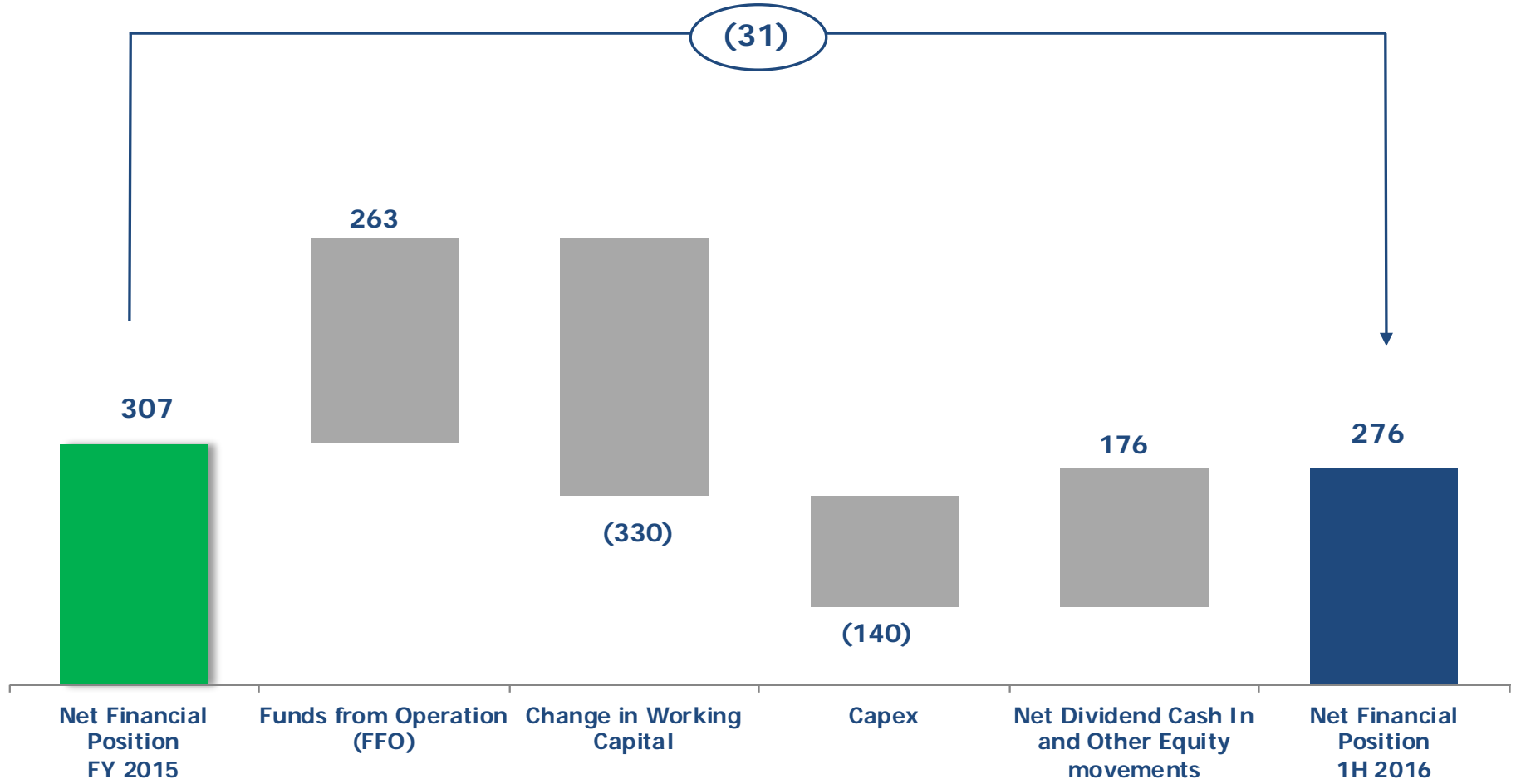
Capex evolution (€m)



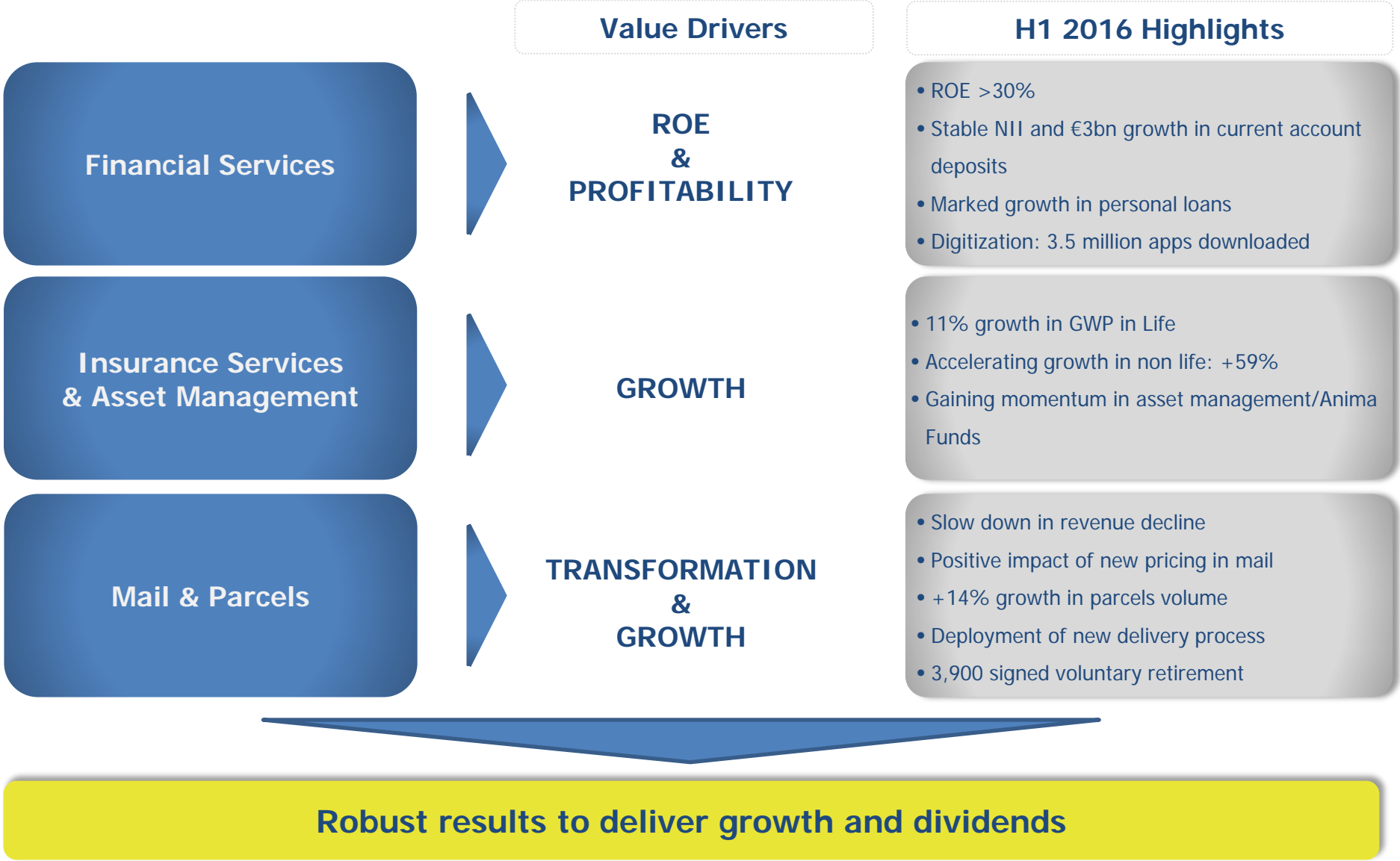
Capex Breakdown by Destination (%)



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



H1 2016: Delivering against strategy through disciplined execution





Appendix

Group Profit & Loss Statement – 1H 2016

€m	1H 2015	1H 2016	Var. %
P&L			
Revenue from sales and services	4,390	4,316	(1.7%)
Insurance premium revenue	9,474	10,551	11.4%
Other income from financial and insurance activities	2,055	2,781	35.3%
Other operating income	31	34	9.7%
Sales	15,950	17,682	10.9%
Personnel costs	(2,983)	(2,985)	0.1%
Other operating expenses	(1,656)	(1,611)	(2.7%)
Net change in technical provisions for insurance business and other claims expenses	(10,385)	(11,944)	15.0%
Depreciation & amortization	(289)	(299)	3.5%
EBIT	638	843	32.1%
Net interest income / (Expense)	27	15	(42.5%)
Profit before tax	665	858	29.0%
Tax	(230)	(293)	27.4%
Net income	435	565	29.9%

Group Key Balance Sheet Items – 1H 2016

€m	FY 2015	1H 2016	Var. %
Balance sheet			
Cash & Equivalents	3,142	1,743	(44.5%)
BancoPosta related Cash	3,161	2,556	(19.1%)
Receivables & Inventory	2,158	2,282	5.7%
Financial Assets	160,090	175,189	9.4%
Tangible and Intangible Assets	2,796	2,643	(5.5%)
Other	4,489	4,927	9.8%
Total Assets	175,836	189,340	7.7%
Trade Payables	1,453	1,293	(11.0%)
Financial liabilities	57,478	63,115	9.8%
Technical Reserves	100,314	109,397	9.1%
Other	6,933	6,877	(0.8%)
Total Liabilities	166,178	180,682	8.7%
Shareholders capital	1,306	1,306	-
Reserves	8,352	7,352	(12.0%)
Totale Equity	9,658	8,658	(10.4%)
Total Liabilities & Equity	175,836	189,340	7.7%

Group Cash Flow Statement – 1H 2016

€m	1H 2015	1H 2016	Var. %
Cashflow statement			
Net income	435	565	29.9%
Depreciation and amortization	289	299	3.5%
Net provisions for risks and charges	265	263	(0.8%)
(Use of Provisions for risks and charges)	(166)	(291)	75.3%
Net change in employee termination benefits and pension plans	(37)	(45)	21.6%
(Gains) / Losses on disposals	0	1	n.m.
Other	3	33	n.m.
FFO	789	825	4.6%
Change in working capital	(203)	(455)	n.m.
Cash flow from operations	586	370	(36.9%)
Capital expenditures	(137)	(151)	10.2%
Net change in subsidiaries and associates	(210)	0	n.m.
Disposals	2	5	n.m.
Cash flow from investments	(345)	(146)	(57.7%)
Dividend paid	(250)	(444)	77.6%
State aid restitution	535	0	n.m.
Cash Flow from financial assets and liabilities	(845)	(1,179)	39.5%
Cash flow from financing	(560)	(1,623)	n.m.
Net change in cash	(319)	(1,399)	n.m.

Group Working Capital – 1H 2016

€m	1H 2015	FY 2015	1H 2016	Var. %
Working Capital				
Trade receivables	3,371	2,346	2,300	(2.0%)
Inventories	139	134	137	2.2%
Other receivables and assets	3,453	3,200	3,592	12.3%
Current tax receivables	704	72	175	n.m.
Trade payables	(1,296)	(1,453)	(1,293)	(11.0%)
Other liabilities	(2,528)	(2,945)	(2,857)	(3.0%)
Current tax liabilities	(264)	(53)	(281)	n.m.
Working Capital	3,579	1,301	1,773	36.3%
Deferred tax asset	777	623	728	16.9%
Deferred tax liabilities	(896)	(1,177)	(912)	(22.5%)
Working Capital and deferred taxes	3,460	747	1,589	n.m.

Change in Group Working Capital – 1H 2016

€m	1H 2015	1H 2016	Var. %
Change in Working Capital			
Trade receivables	390	46	(88.2%)
Inventories	--	(3)	n.m.
Other receivables and assets	33	(392)	n.m.
Current tax receivables	(45)	(103)	n.m.
Trade payables	(126)	(160)	27.0%
Other liabilities	(130)	(88)	(32.3%)
Current tax liabilities	240	228	(5.0%)
Deferred tax assets	(75)	(105)	40.0%
Deferred tax liabilities	(151)	(265)	75.5%
Total	136	(842)	n.m.
Financial Income on discounted receivables	11	3	(72.7%)
Net write-downs and loss on receivables	--	(18)	n.m.
Deferred tax on fair value changes and TFR actuarial income	185	402	n.m.
Cancellation of shareholder receivables CE 16/07/08 (Legge di stabilità 2015)	(535)	--	n.m.
Adjustments (non monetary items and shareholders' transactions)	(339)	387	n.m.
Change in Working Capital per cash flow statement	(203)	(455)	n.m.

Mail & Parcels Key Balance Sheet Items – 1H 2016

€m	1H 2016
Assets	
Property, plant and equipment	2,068
Investment property	58
Intangible assets	408
Investments ¹	1,877
Financial assets	1,059
Trade receivables	4
Deferred tax assets	444
Other receivables and assets	149
Total Non-current assets	6,067
Inventories	133
Trade receivables	2,004
Current tax assets	32
Other receivables and assets	313
Financial assets	401
Cash and cash equivalents	584
Total Current assets	3,467
Total Assets	9,534

€m	1H 2016
Equity and Liabilities	
Total Equity	2,700
Provisions for risks and charges	260
Employee termination benefits and pension plans	1,423
Financial liabilities	1,258
Deferred tax liabilities	30
Other liabilities	71
Total Non-current liabilities	3,042
Provisions for risks and charges	700
Trade payables	1,198
Current tax liabilities	83
Other liabilities	1,261
Financial liabilities	550
Total Current liabilities	3,792
Total Equity and Liabilities	9,534

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

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

€m	FY 2015 ²	1H 2016	Var. %
Net Debt - Mail & Parcels and Other Services			
Cash and Cash Equivalents	1,331	596	(55.2%)
Current Financial Assets	169	69	(59.2%)
Short term debt	(515)	(6)	(98.8%)
Current part of long term debt	(16)	(1)	(93.8%)
Other current financial liabilities	(20)	(20)	-
Current Financial Position	(551)	(27)	(95.1%)
Current Net Financial Position	949	638	(32.8%)
Long term debt	(400)	(400)	-
Bonds	(797)	(797)	-
Other non current financial liabilities	(57)	(64)	12.3%
Non Current Financial Position	(1,254)	(1,261)	0.6%
Net Financial Position	(305)	(623)	n.m.
Non current financial assets	553	659	19.2%
Net Financial Position - Mail & Parcel and Other Services	248	36	(85.5%)
Intersegment financial receivables	674	732	8.6%
Intersegment financial payables	(615)	(492)	(20.0%)
Net Financial Position (net of intersegments)¹	307	276	(10.1%)

1. Including a Net Financial Position of Other Services (€ 40m for the first half 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	1H 2015	1H 2016	Var. %
P&L			
Total revenue	2,918	3,110	6.6%
<i>o/w Market revenue</i>	<i>2,664</i>	<i>2,830</i>	<i>6.2%</i>
<i>o/w Intercompany revenue</i>	<i>254</i>	<i>280</i>	<i>10.2%</i>
Personnel costs	(63)	(63)	0.4%
Other operating expenses	(2,398)	(2,560)	6.8%
EBITDA	457	487	6.5%
<i>EBITDA margin</i>	<i>15.7%</i>	<i>15.7%</i>	
Depreciation and amortisation	(1)	(1)	n. m.
EBIT	456	485	6.4%
<i>EBIT margin</i>	<i>15.6%</i>	<i>15.6%</i>	

Insurance and Asset Management – Profit & Loss

€m	1H 2015	1H 2016	Var.%
P&L			
Total revenue	11,230	12,854	14.5%
<i>o/w Market revenue</i>	<i>11,230</i>	<i>12,854</i>	<i>14.5%</i>
<i>o/w Intercompany revenue</i>	<i>0</i>	<i>0</i>	<i>n.m.</i>
Personnel costs	(15)	(19)	25.1%
Other operating expenses	(10,962)	(12,558)	14.6%
EBITDA	253	277	9.3%
<i>EBITDA margin</i>	<i>2.3%</i>	<i>2.2%</i>	
Depreciation and amortisation	(5)	(7)	44.2%
EBIT	248	270	8.9%
<i>EBIT margin</i>	<i>2.2%</i>	<i>2.1%</i>	

Mail & Parcels – Profit & Loss

€m	1H 2015	1H 2016	Var.%
P&L			
Total revenue	4,190	4,324	3.2%
<i>o/w Market revenue</i>	<i>1,933</i>	<i>1,884</i>	<i>(2.5%)</i>
<i>o/w Intercompany revenue</i>	<i>2,257</i>	<i>2,440</i>	<i>8.1%</i>
Personnel costs	(2,894)	(2,893)	n.m.
Other operating expenses	(1,120)	(1,083)	(3.3%)
EBITDA	176	348	97.4%
<i>EBITDA margin</i>	<i>4.2%</i>	<i>8.0%</i>	
Depreciation and amortisation	(265)	(274)	3.4%
EBIT	(89)	74	n.m.
<i>EBIT margin</i>	<i>-2.1%</i>	<i>1.7%</i>	

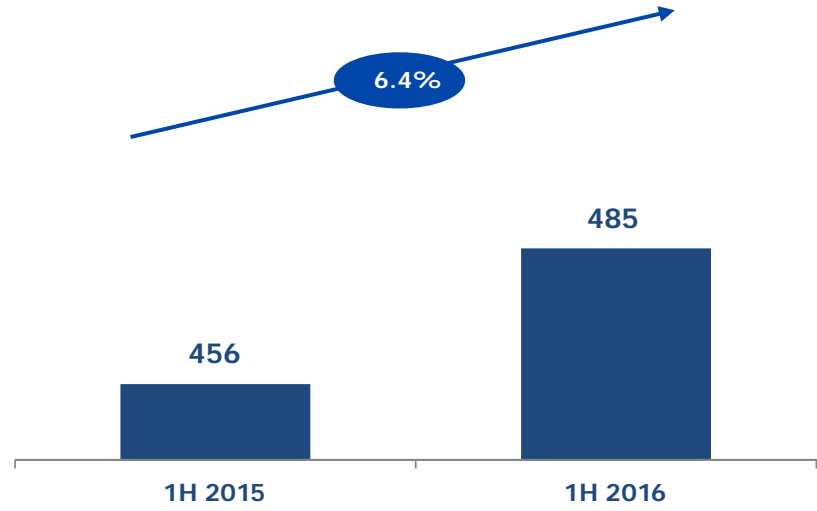
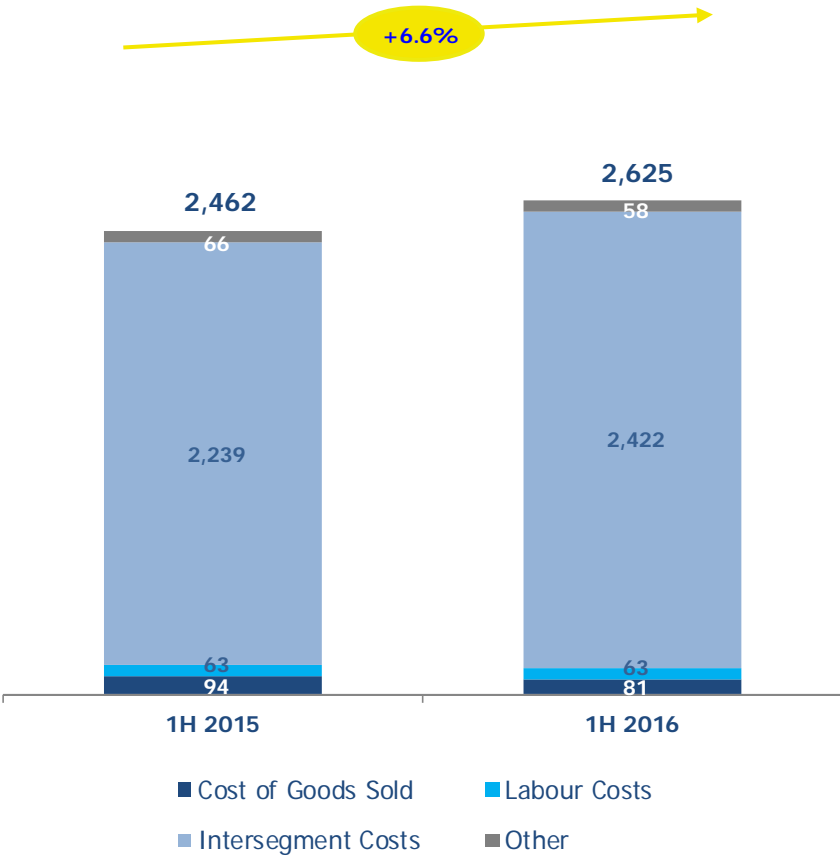
Other Services – Poste Mobile Key Financials

€m	1H 2015	1H 2016	Var. %
P&L			
Total revenue	166	147	(11.8%)
<i>o/w Market revenue</i>	<i>123</i>	<i>114</i>	<i>(7.0%)</i>
<i>o/w Intercompany revenue</i>	<i>43</i>	<i>32</i>	<i>(25.2%)</i>
Personnel costs	(11)	(10)	(13.5%)
Other operating expenses	(114)	(105)	(7.7%)
EBITDA	41	32	(22.6%)
<i>EBITDA margin</i>	<i>24.6%</i>	<i>21.6%</i>	
Depreciation and amortisation	(18)	(17)	(6.9%)
EBIT	22	15	(35.4%)
<i>EBIT margin</i>	<i>13.5%</i>	<i>9.9%</i>	
Non-operating income/(expenses)	(0)	(0)	19.1%
Profit before taxes	22	14	(36.4%)
Taxes	(8)	(5)	(39.0%)
Profit after taxes	14	9	(34.9%)
Cash flow statement			
FFO	32.3	24.6	(23.9%)
Cash flow from investments	(7.9)	(13.0)	(64.7%)
Net change in cash	(10.7)	(4.8)	55.5%
Other key data			
Average number of users (sim cards -#k)	3,394	3,619	6.6%
ARPU (€)	5.3	4.8	(9.6%)

Financial Services – Cost Structure and Profitability at Divisional Level

Financial Services – Operating Costs (€m)

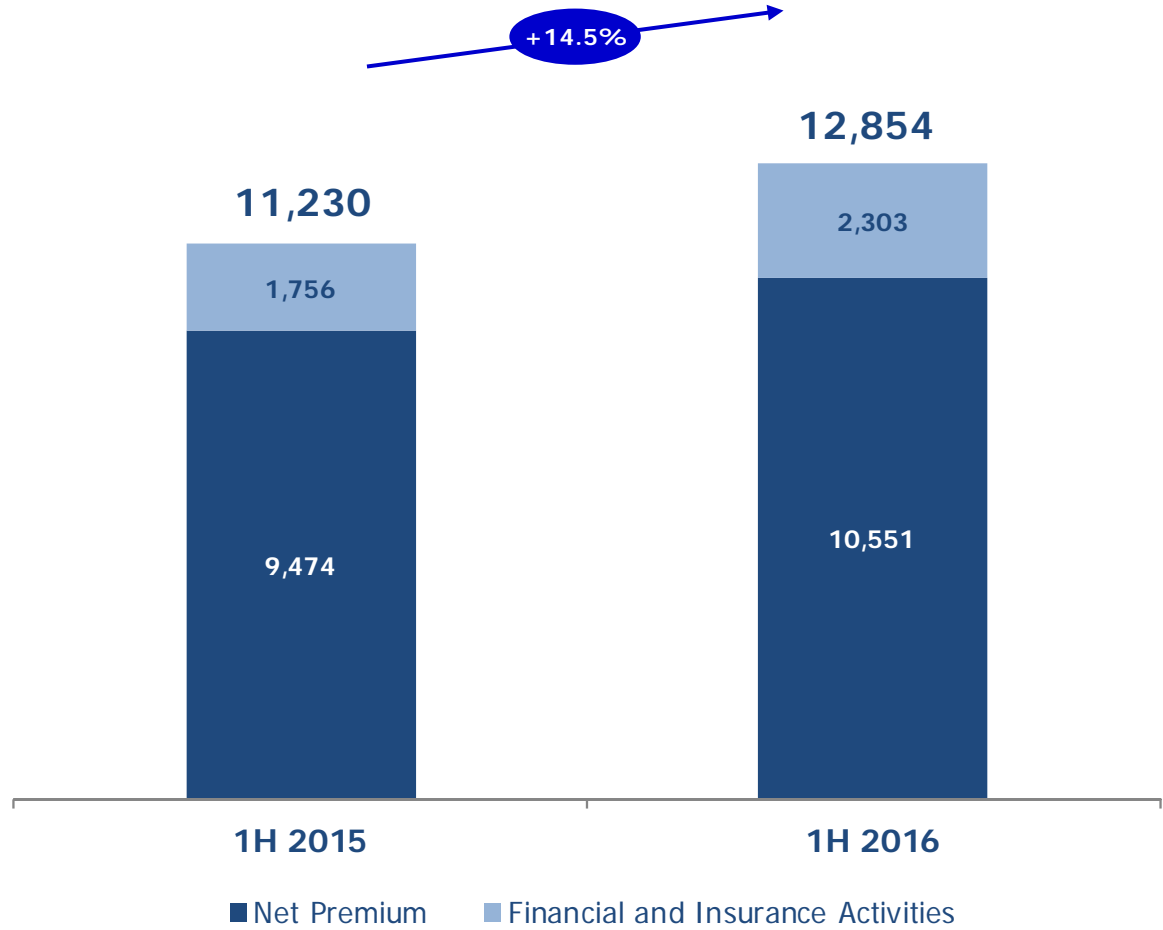
Financial Services – Operating Profit (€m)¹



1. Includes intersegment revenues



1H 2016 Results – Focus on Insurance and Asset Management

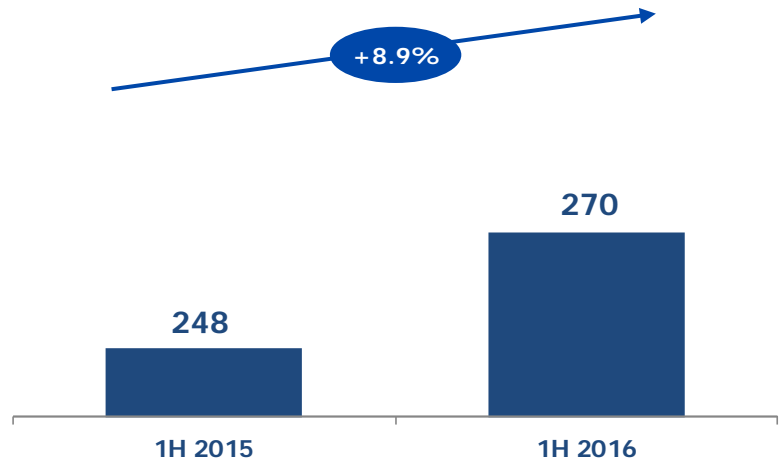
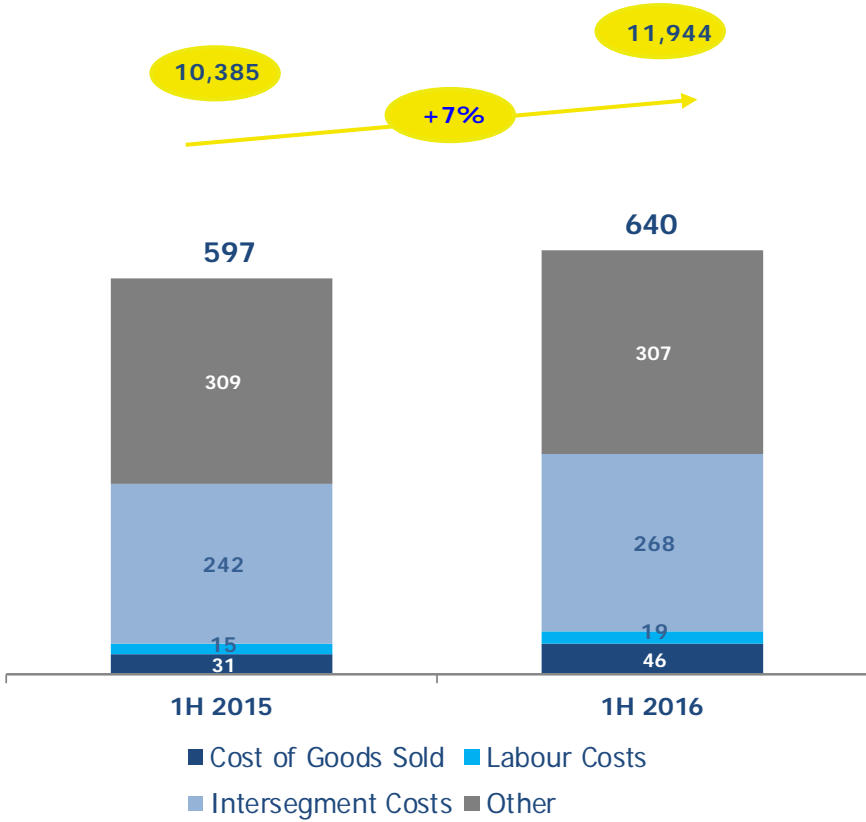


Insurance and Asset Management – Cost Structure and Profitability at Divisional Level

Insurance and Asset Management – Operating Costs (€m)

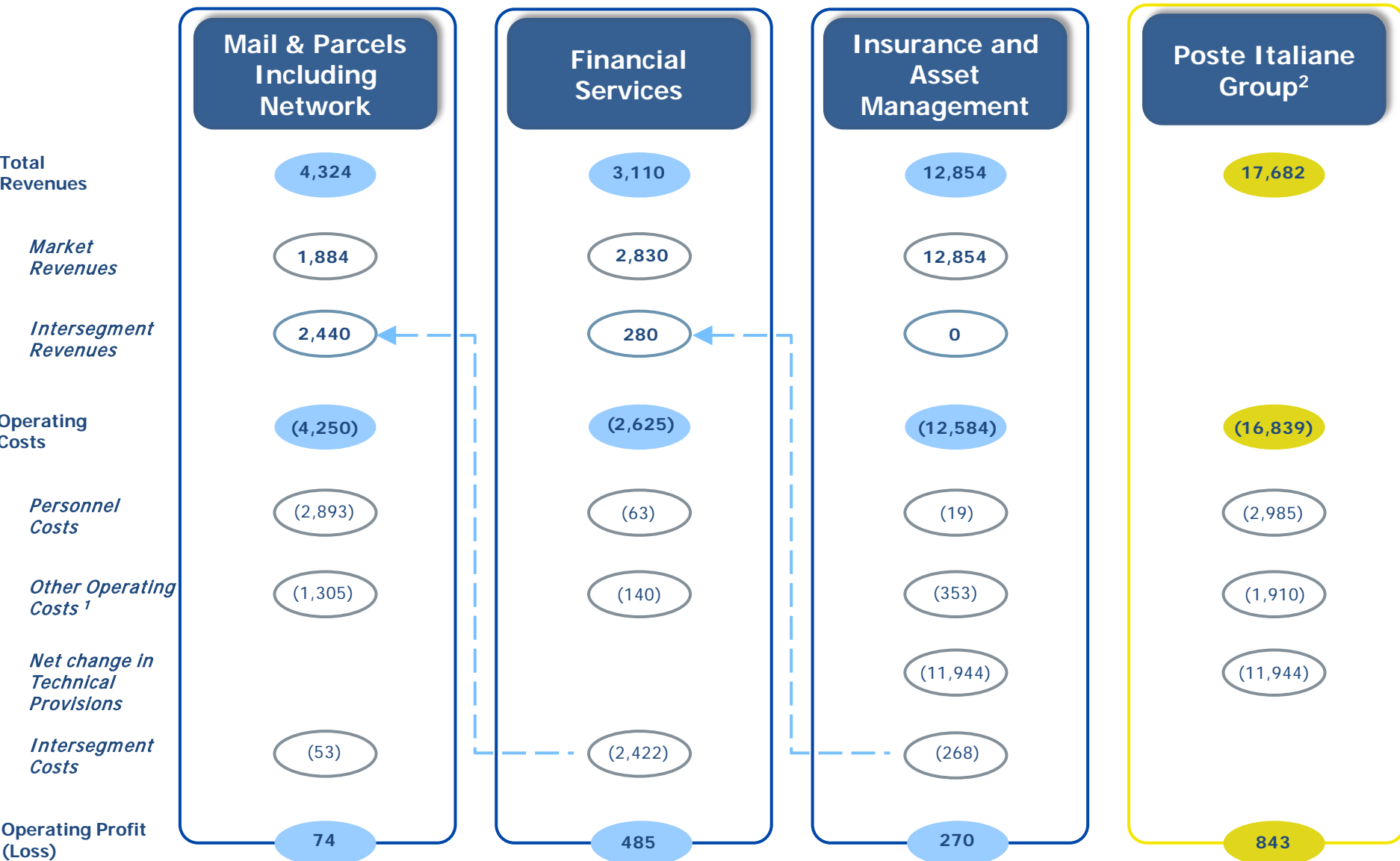
Insurance and Asset Management – Operating Profit (€m)¹

Change in Insurance
Technical Provisions



1. Includes intersegment revenues

Segment Flow Description – 1H 2016 (€m)



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



Disclaimer

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