



# 1Q 2017 Results

10 May 2017

# OPENING REMARKS

(€m)

## Key Numbers

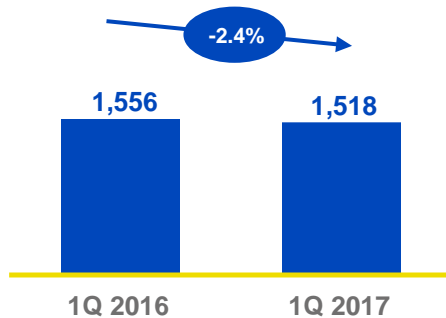
	1Q 2016	1Q 2017	Var %
Revenues	9,759	9,539	-2%
EBIT	562	526	-6%
Net Profit	367	351	-4%

# 1Q 2017: FIGURES HIGHLIGHTS

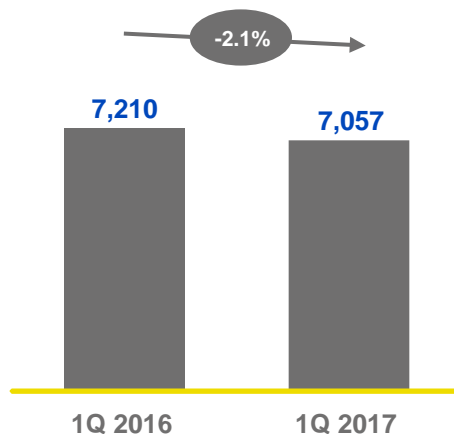
(€m)

REVENUES<sup>1</sup>

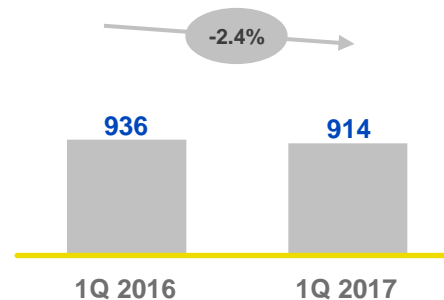
## Financial Services



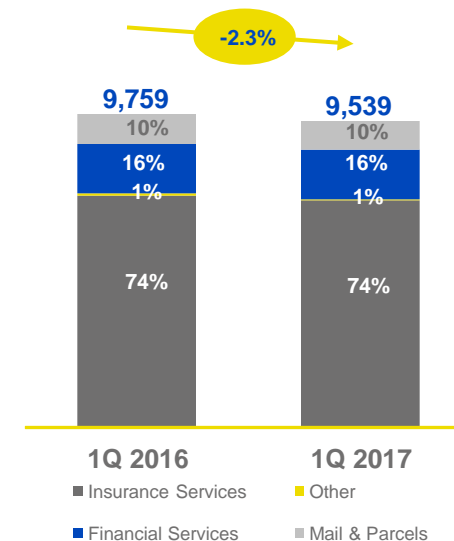
## Insurance & Asset Management



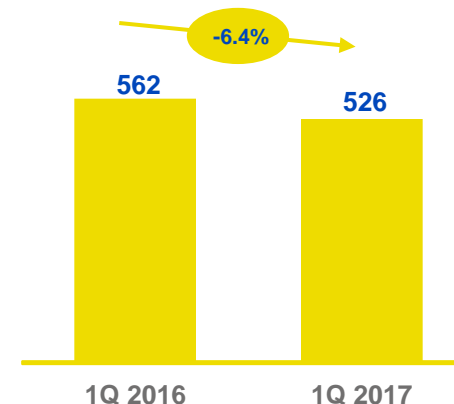
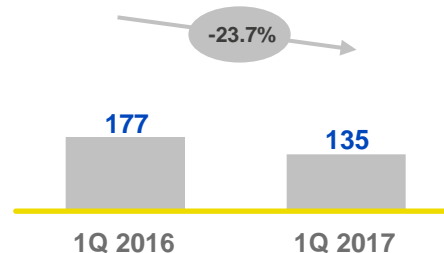
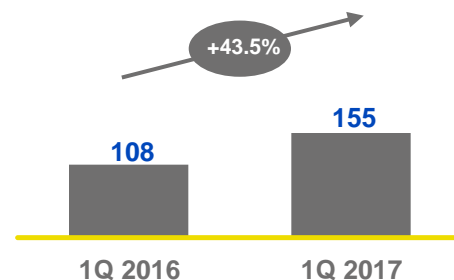
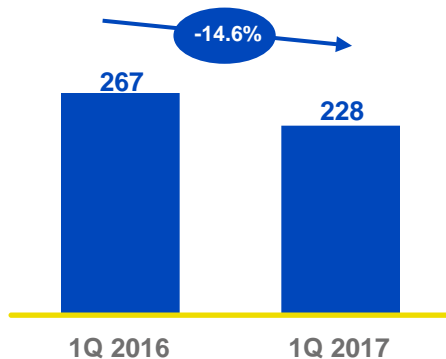
## Mail & Parcels



## Poste Italiane Group<sup>2</sup>



EBIT

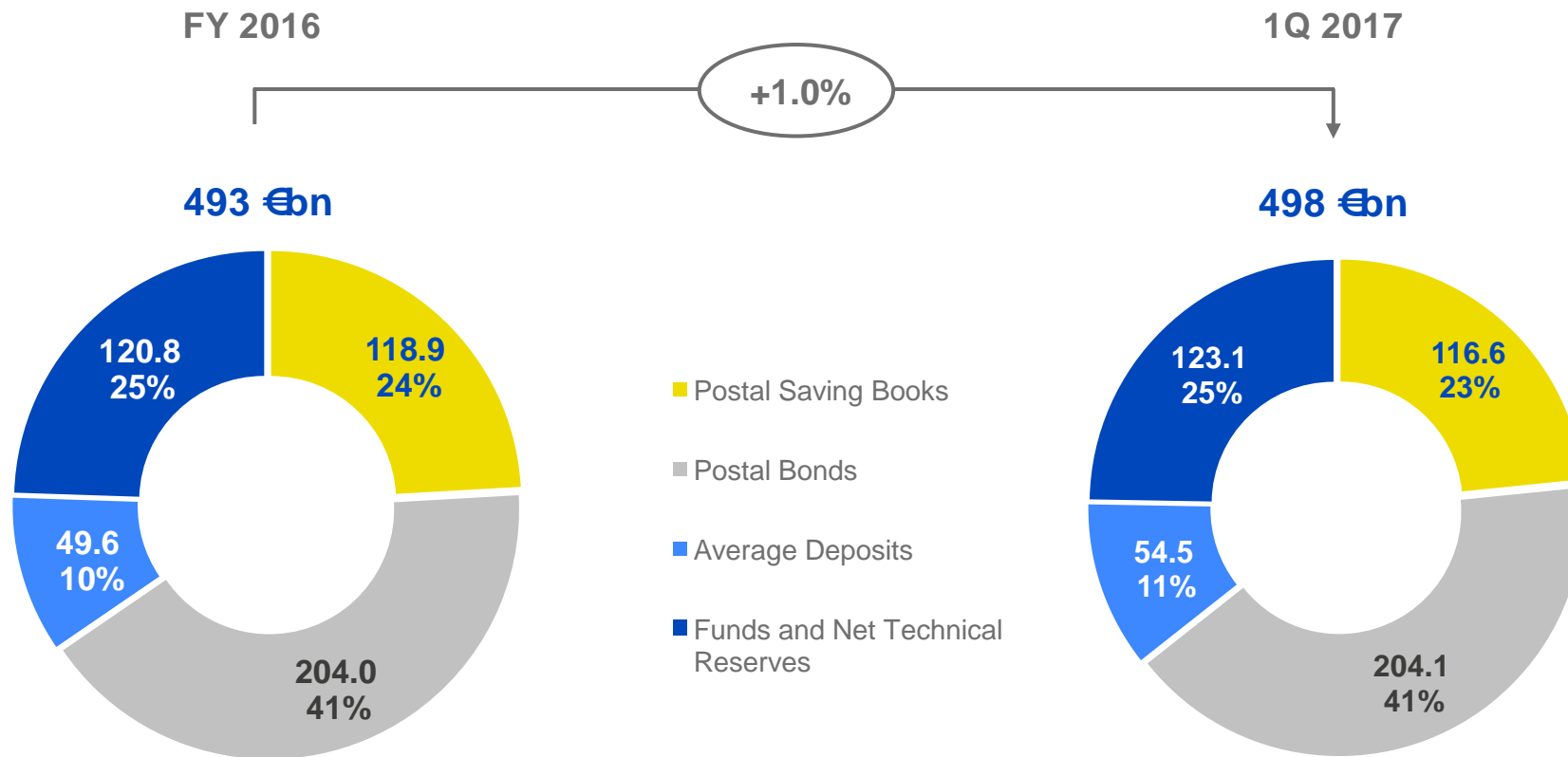


1. Net of intersegment revenues

2. Including other segments (Poste Mobile and 'Consorzio Telefonía Mobile')

# TOTAL ASSETS UNDER MANAGEMENT/ADMINISTRATION

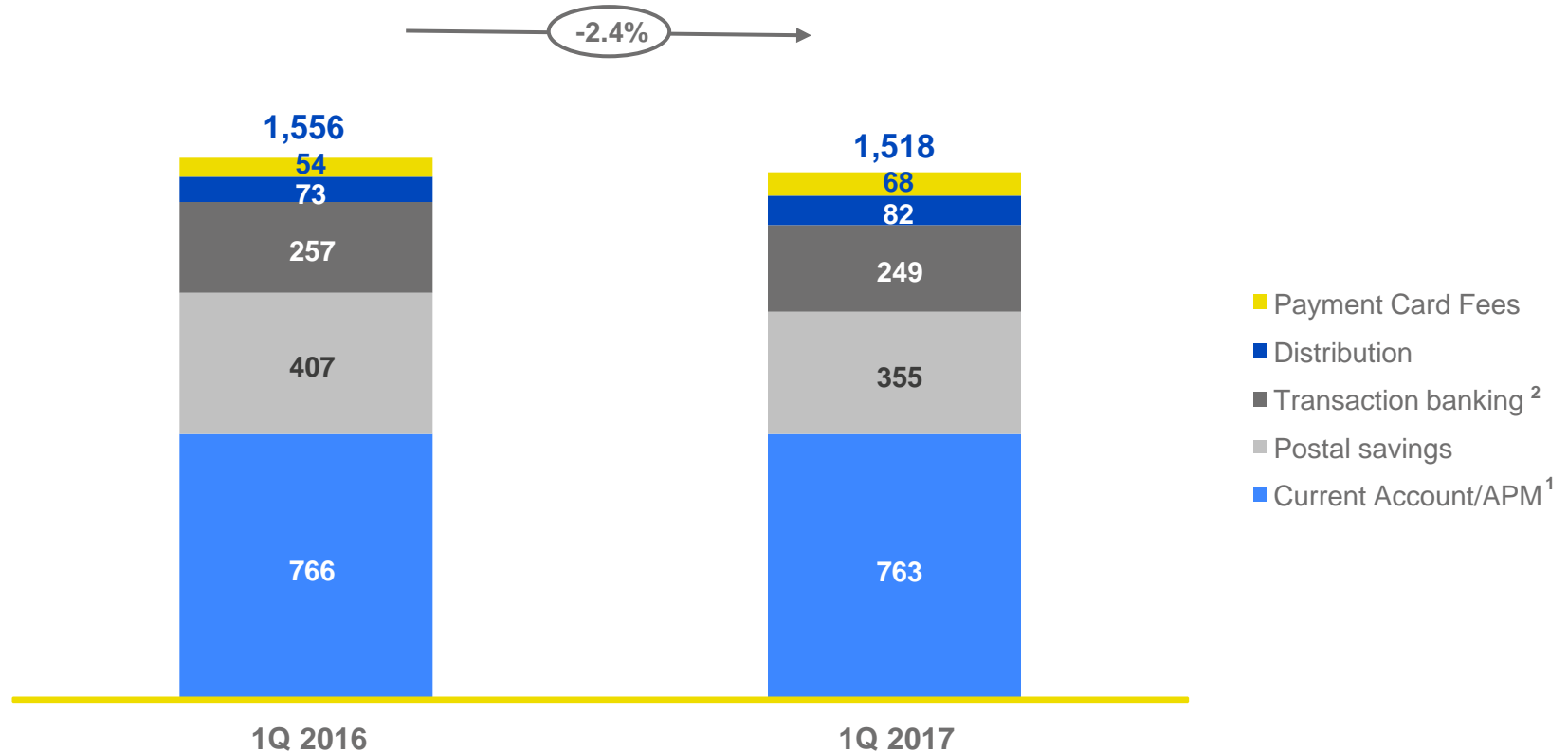
(€bn)



# FOCUS ON FINANCIAL SERVICES (1/3)

## REVENUES EVOLUTION

(€m)



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

(€m)

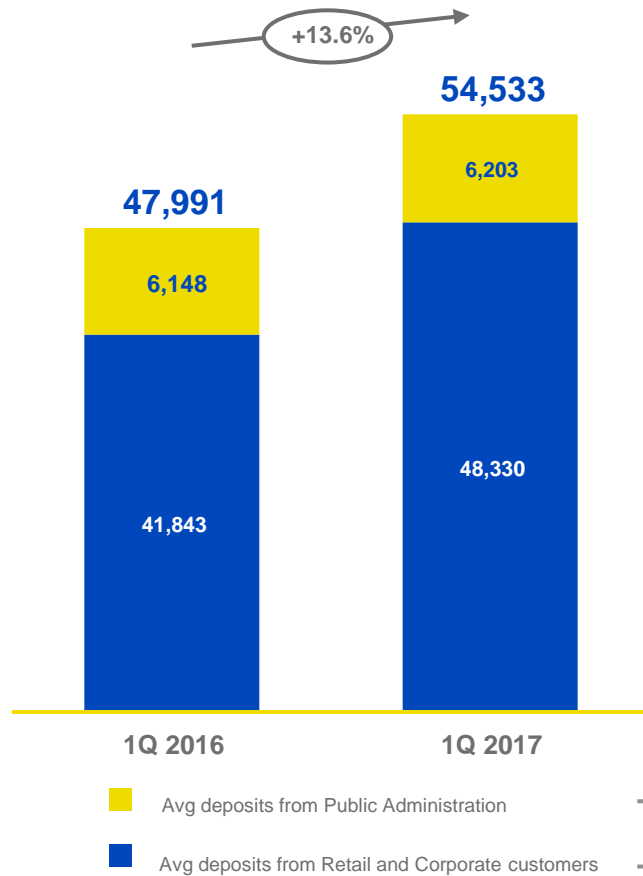
	1Q 2017 1Q 17 vs 1Q 16 (var.%)	Rationale
Return on Current Account Deposits	763 -0.4%	Substantially stable. Lower interest income compensated by higher capital gains
Fees from Postal Savings Collection	355 -12.8%	Lower fees related to lower postal savings average collection and lower recognized commercial costs
Fees from Transaction Banking	249 -2.8%	Reduction mostly attributable to lower revenues from payments slips and tax return forms
Distribution Fees	82 +13.3%	Increase mainly due to a better performance on personal loans
Payment Card Fees	68 +26.1%	Higher revenues both from Postepay, above-all Postepay Evolution
<b>Total Revenues</b>	<b>1,518</b> <b>-2.4%</b>	

# FOCUS ON FINANCIAL SERVICES (3/3)

## ACTIVE PORTFOLIO MANAGEMENT

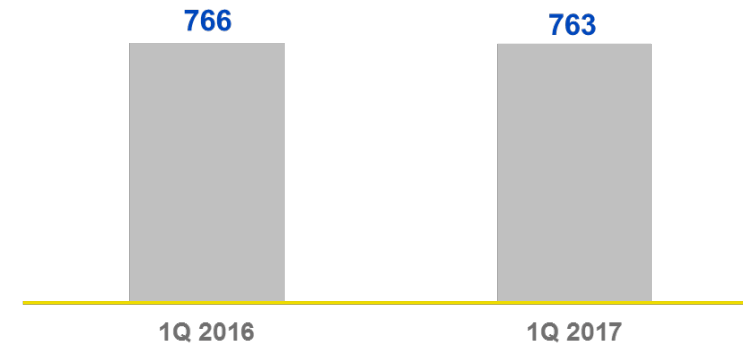
(€m)

### AVERAGE DEPOSITS<sup>1</sup>



### ACTIVE PORTFOLIO MANAGEMENT<sup>2</sup>

	1Q 2016	FY 2016	1Q 2017
<b>Average return (%)</b>	4.0% <sup>3</sup>	4.0%	3.5% <sup>3</sup>
<b>Unrealized gains (€m)</b>	5,010	2,881	953
<b>Portfolio duration (years)</b>	5.6	5.5	5.4

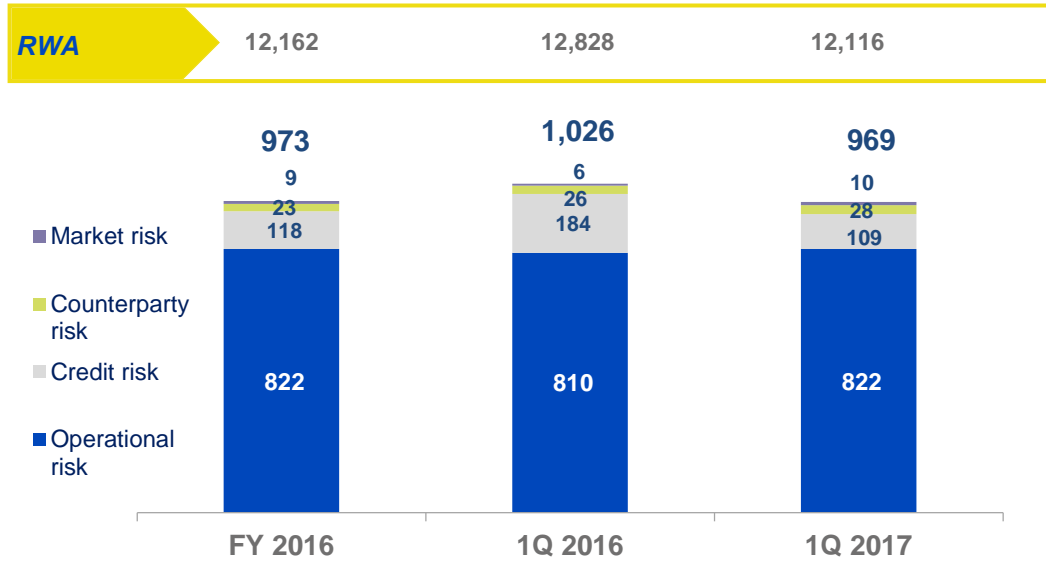


1. Including current accounts, time deposits and repurchase agreements
2. Including interest income and realized capital gains
3. Average yield calculated as interest income and realized capital gains pro rata temporis on total financial assets

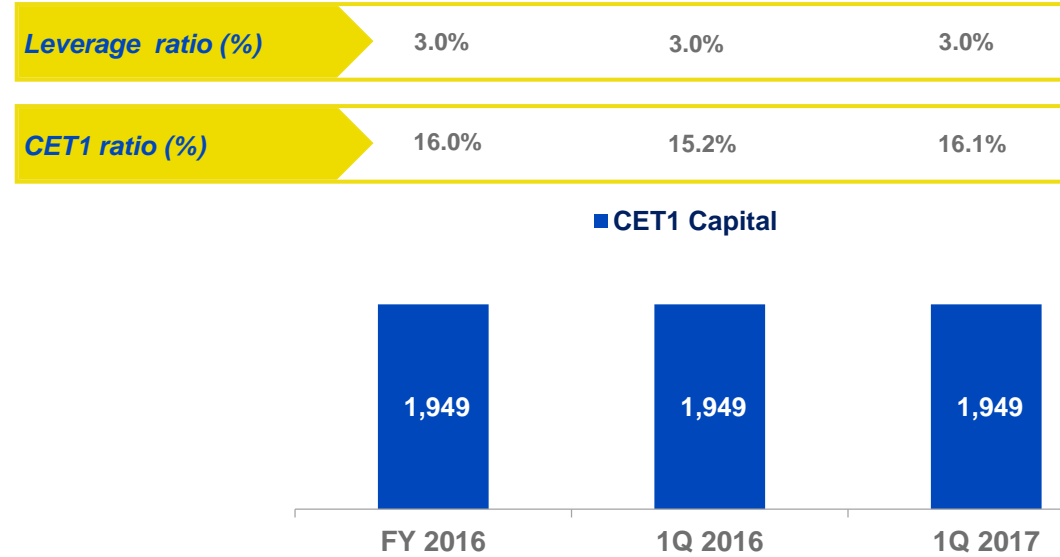
# BANCOPOSTA REGULATORY FRAMEWORK AND CAPITAL POSITION

(€m)

## CAPITAL REQUIREMENTS



## CAPITAL POSITION



Key regulatory constraints /standards: 8% min. CET1 ratio<sup>1</sup> / 3% min. leverage ratio

Leverage ratio @ 3.0%, at the minimum regulatory level

ROE<sup>2</sup> @ 32% (vs. 29% in FY16)

1. 10.50% Min. CET1 ratio required to distribute earnings (9.25% from 1<sup>st</sup> January 2017)

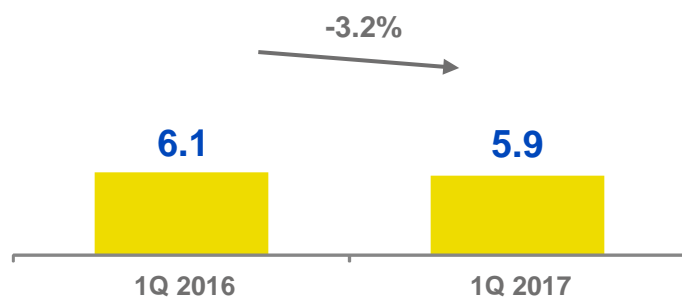
2. ROE defined as net earnings/CET 1 capital (excluding valuation reserves)



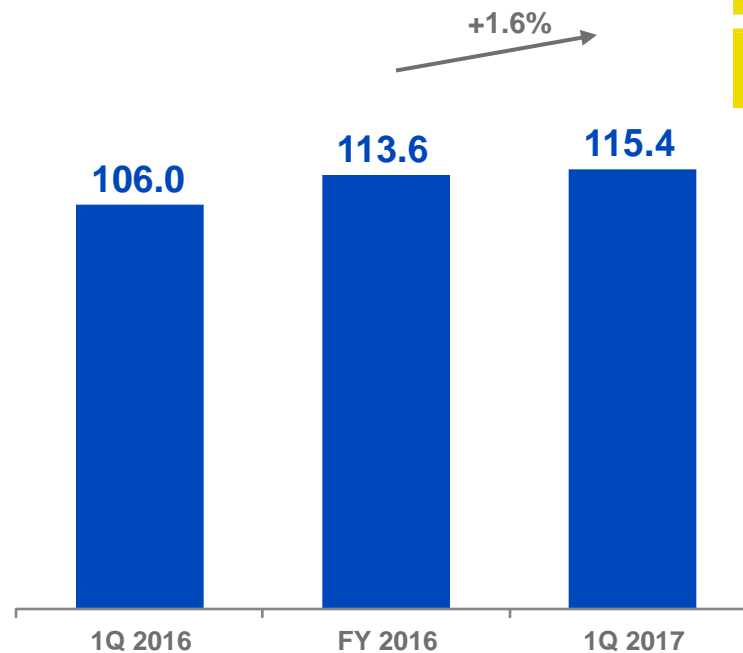
# FOCUS ON INSURANCE & ASSET MANAGEMENT

## GROUP GWP AND TECHNICAL RESERVES EVOLUTION

GROUP GWP EVOLUTION (€bn)



GROUP NET TECHNICAL RESERVES EVOLUTION (€bn)<sup>1</sup>



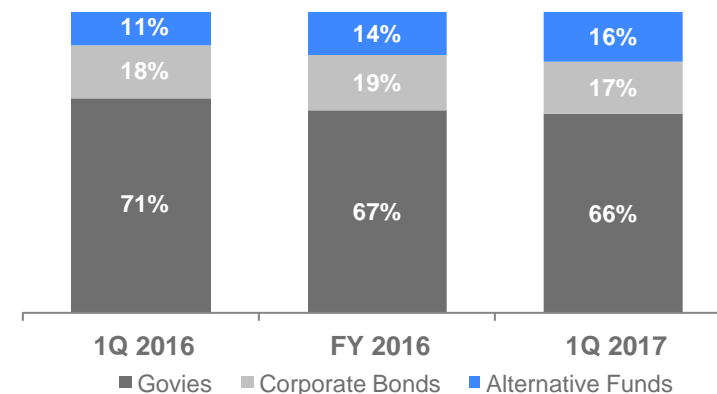
INVESTMENT PORTFOLIO BREAKDOWN

Life guaranteed (Ramo I) investment mix

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

Unrealized gains (€m)

1Q 2016	11,872
FY 2016	9,540
1Q 2017	7,617

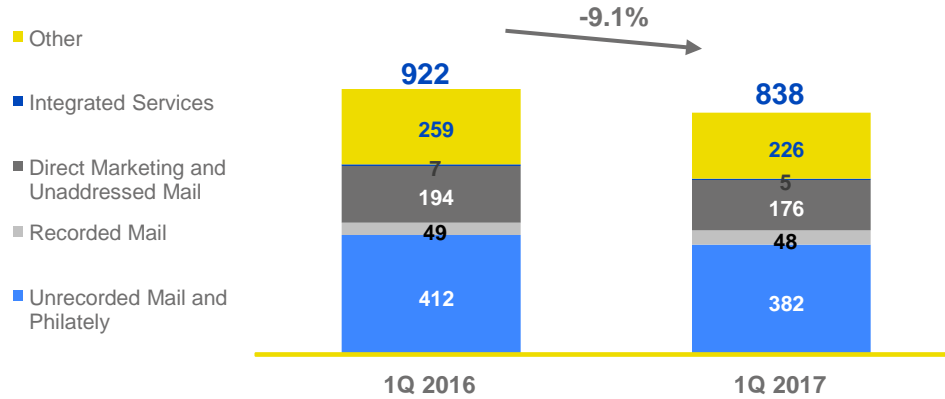


1. Including non-life technical reserves and net of re-insurance reserves

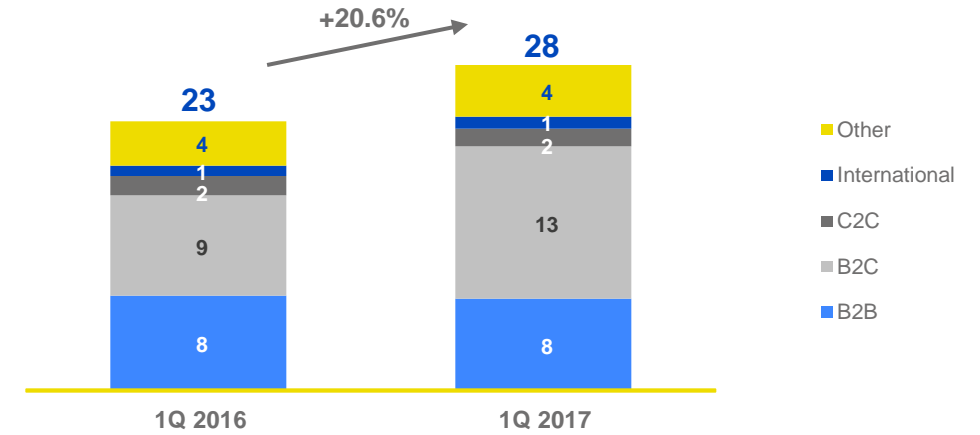
# FOCUS ON MAIL & PARCELS (1/2)

## VOLUMES AND MARKET REVENUES EVOLUTION

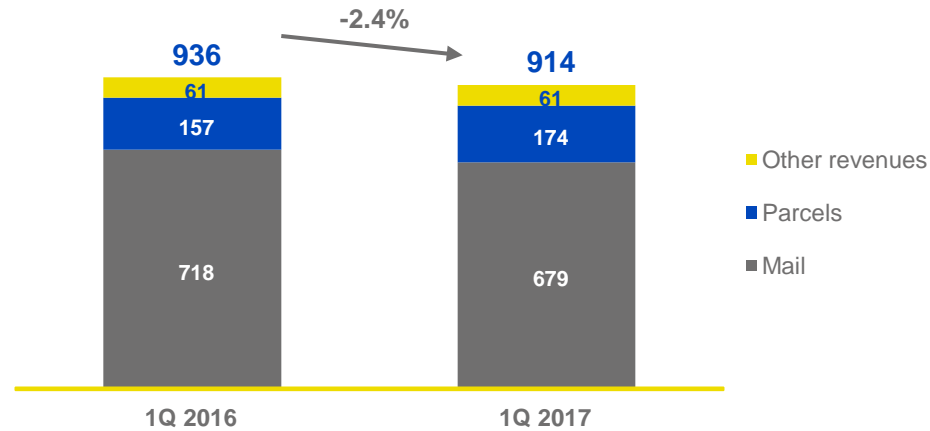
### Volumes - Mail (m)



### Volumes - Parcels (m)



### Revenues - Mail & Parcels (€m)

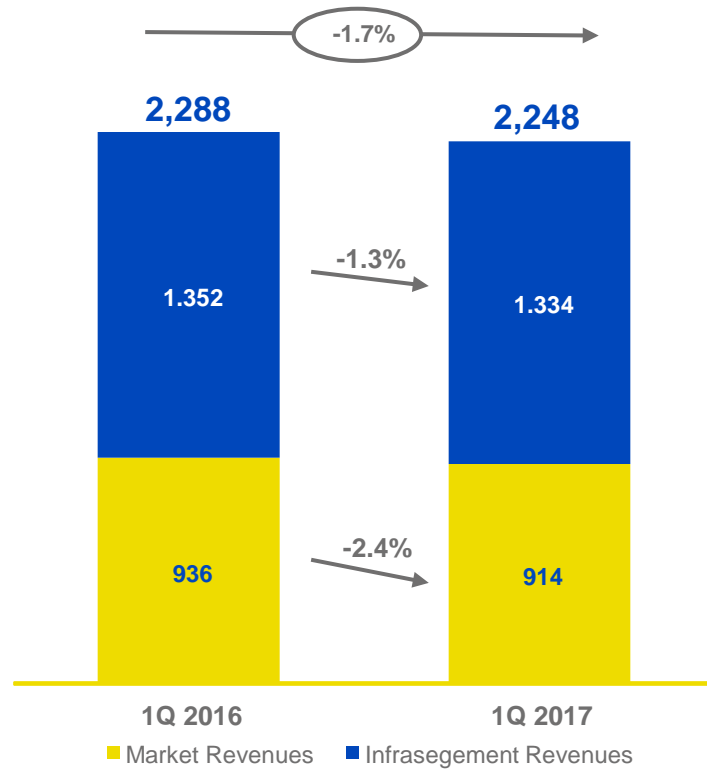


# FOCUS ON MAIL & PARCELS (2/2)

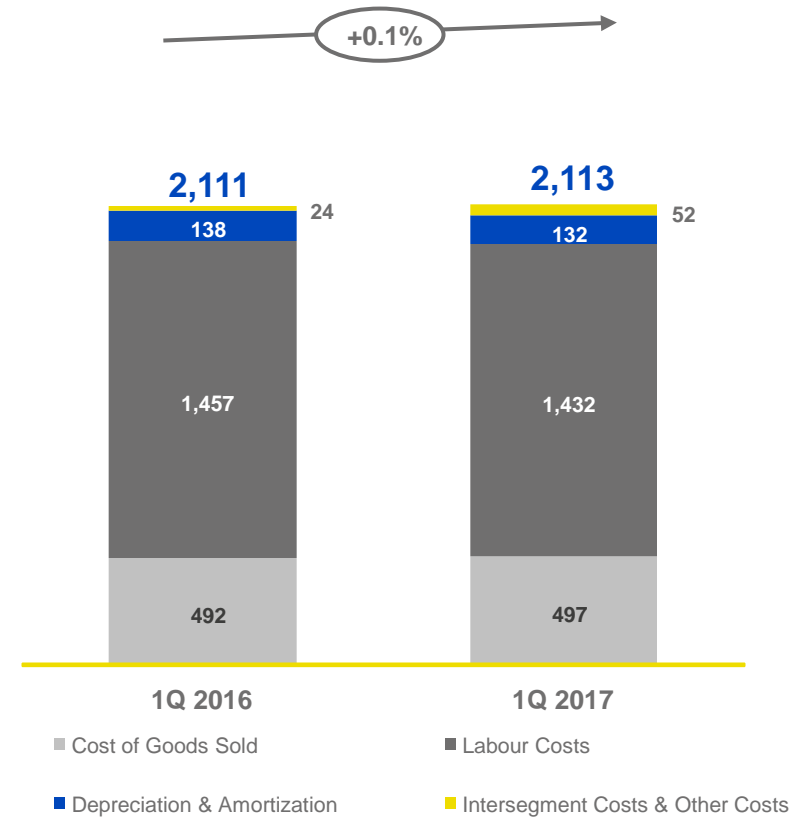
## TOTAL REVENUES AND COST STRUCTURE

(€m)

### Total Revenues



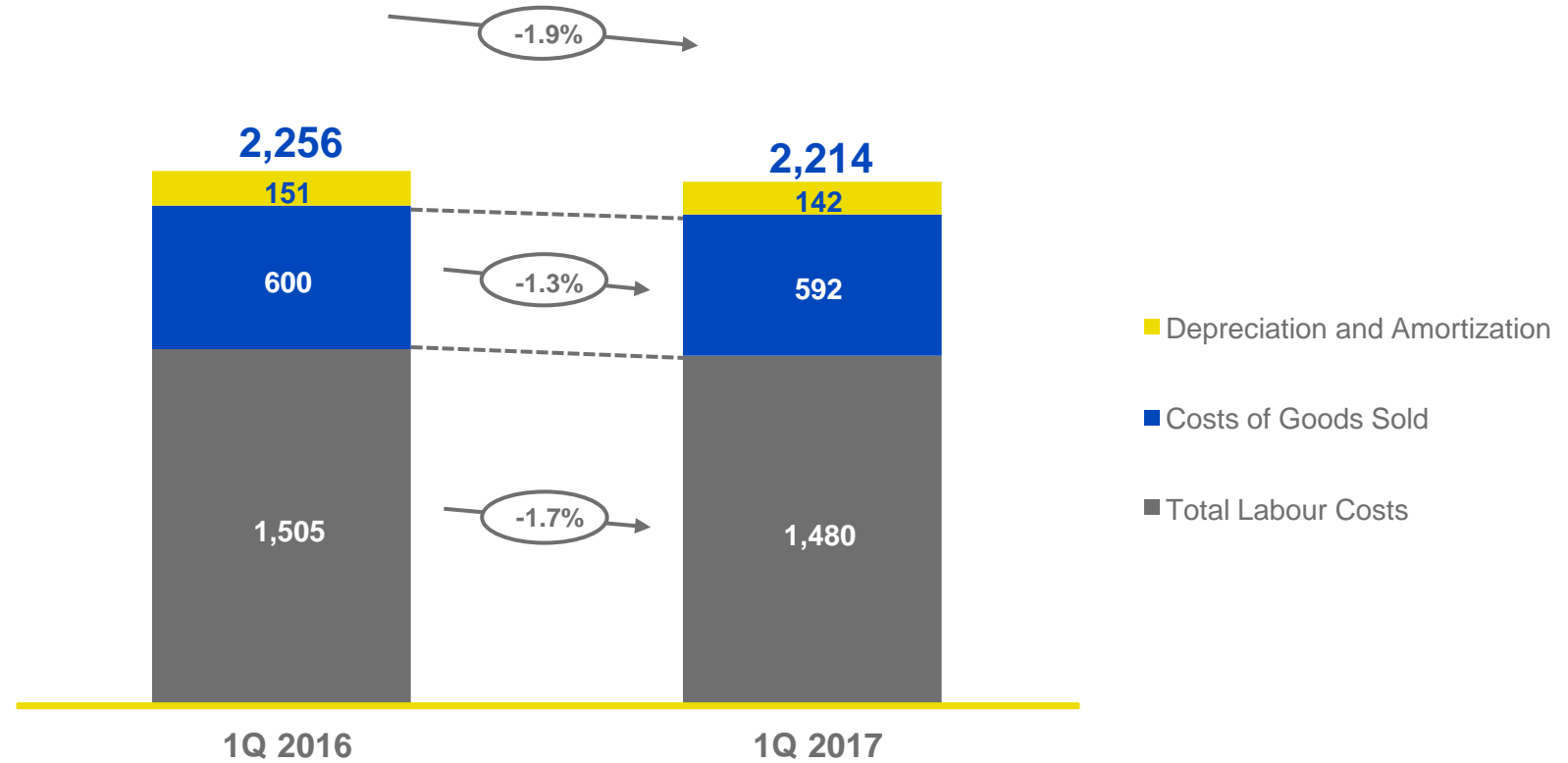
### Operating Costs



# TOTAL GROUP OPERATING COSTS EVOLUTION

(€m)

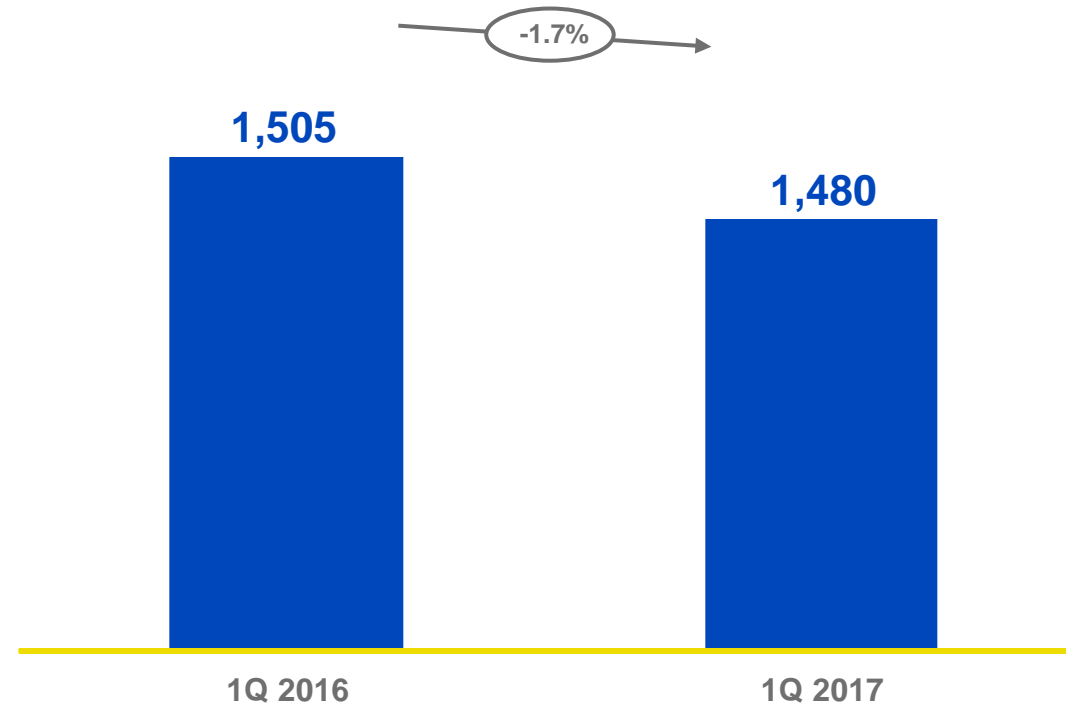
## Group Operating Costs



# COST STRUCTURE AT CONSOLIDATED LEVEL

## FOCUS ON LABOUR COSTS

(€m)



Avg. workforce

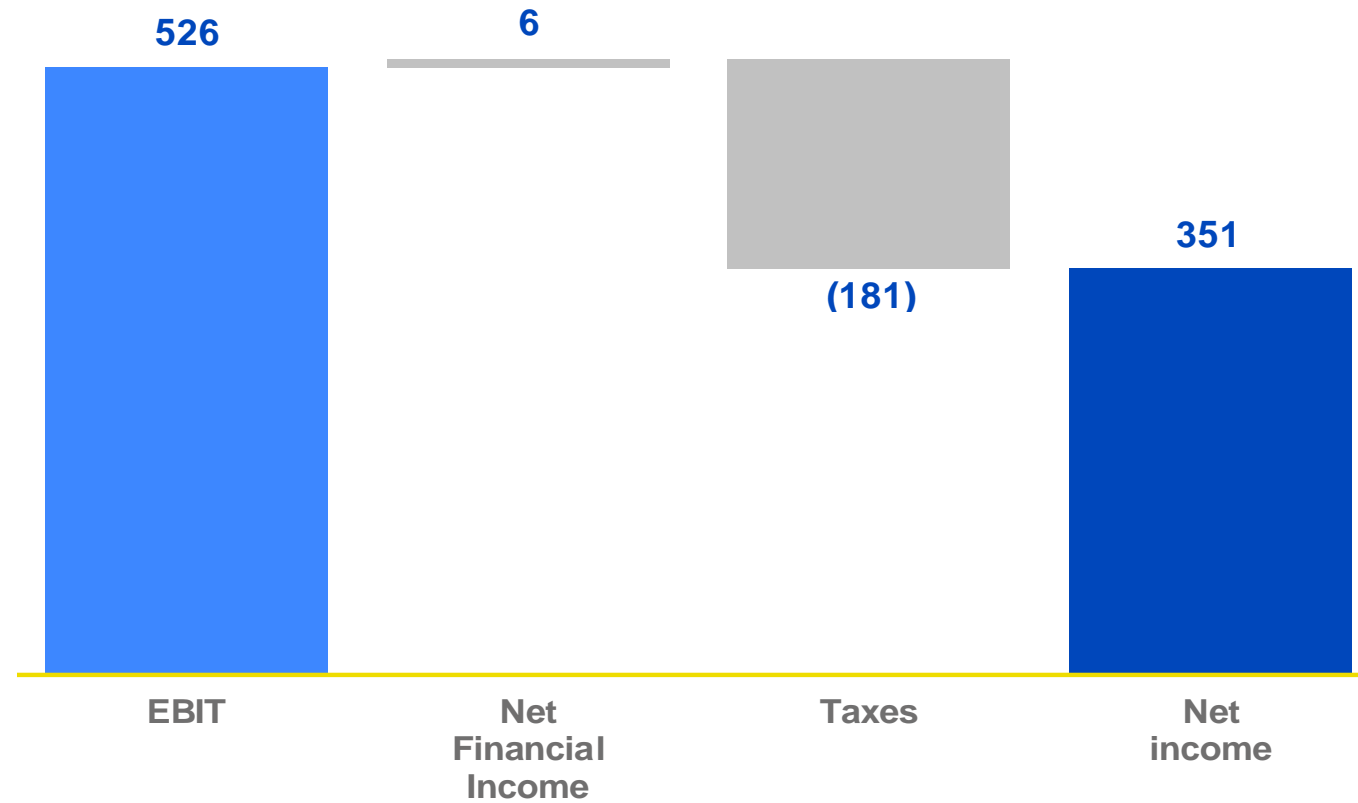
142.6 K

137.9 K

# FROM GROUP EBIT TO NET INCOME

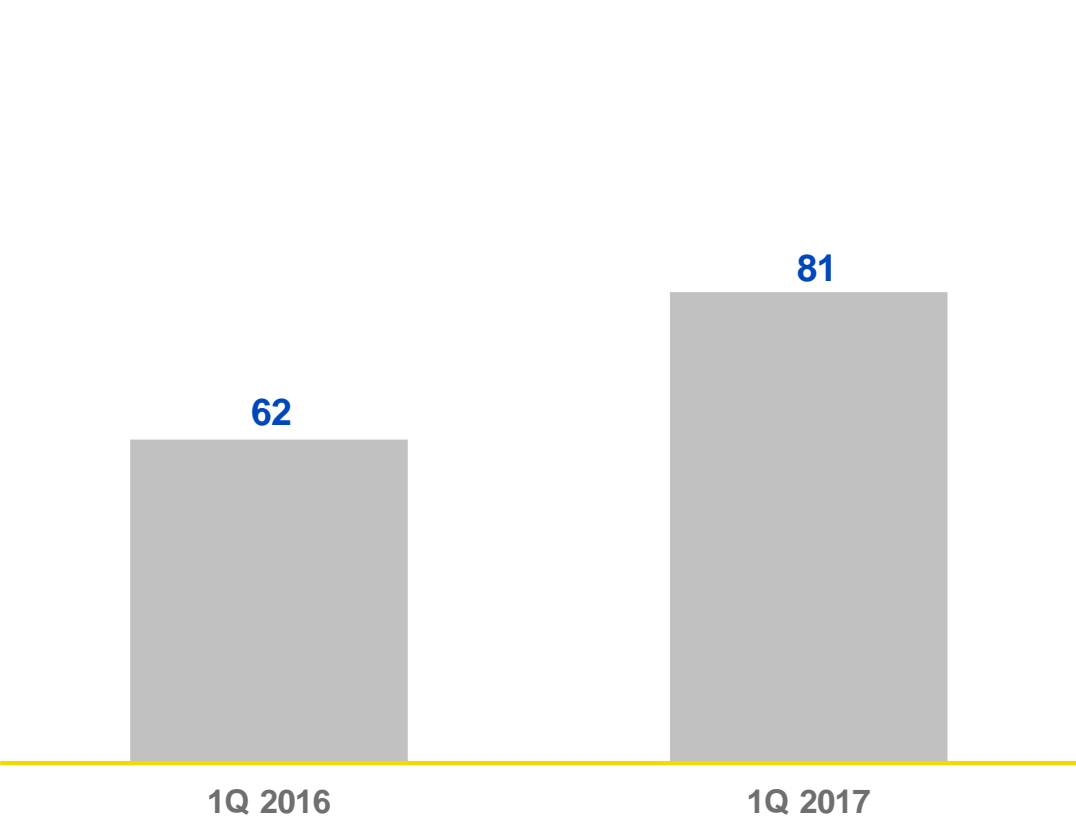
1Q 2017

(€m)

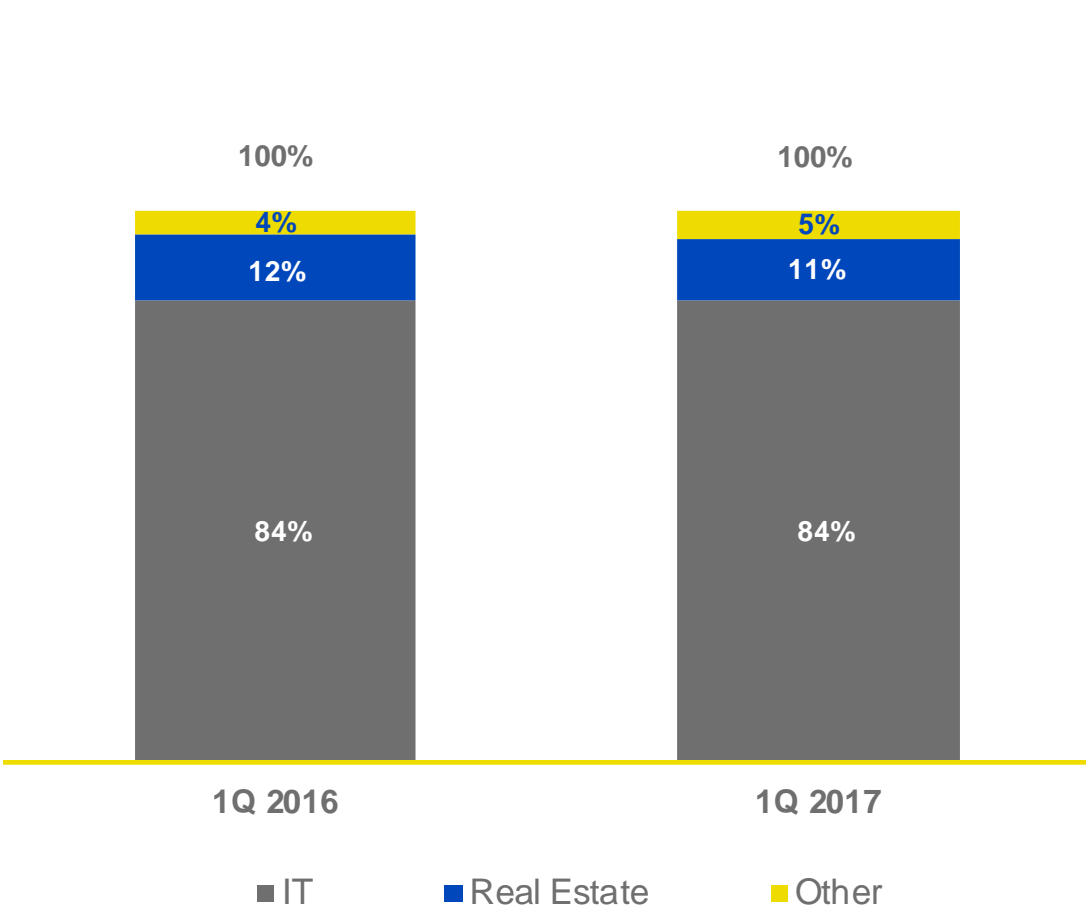


# GROUP CAPITAL EXPENDITURES

Capex evolution (€m)

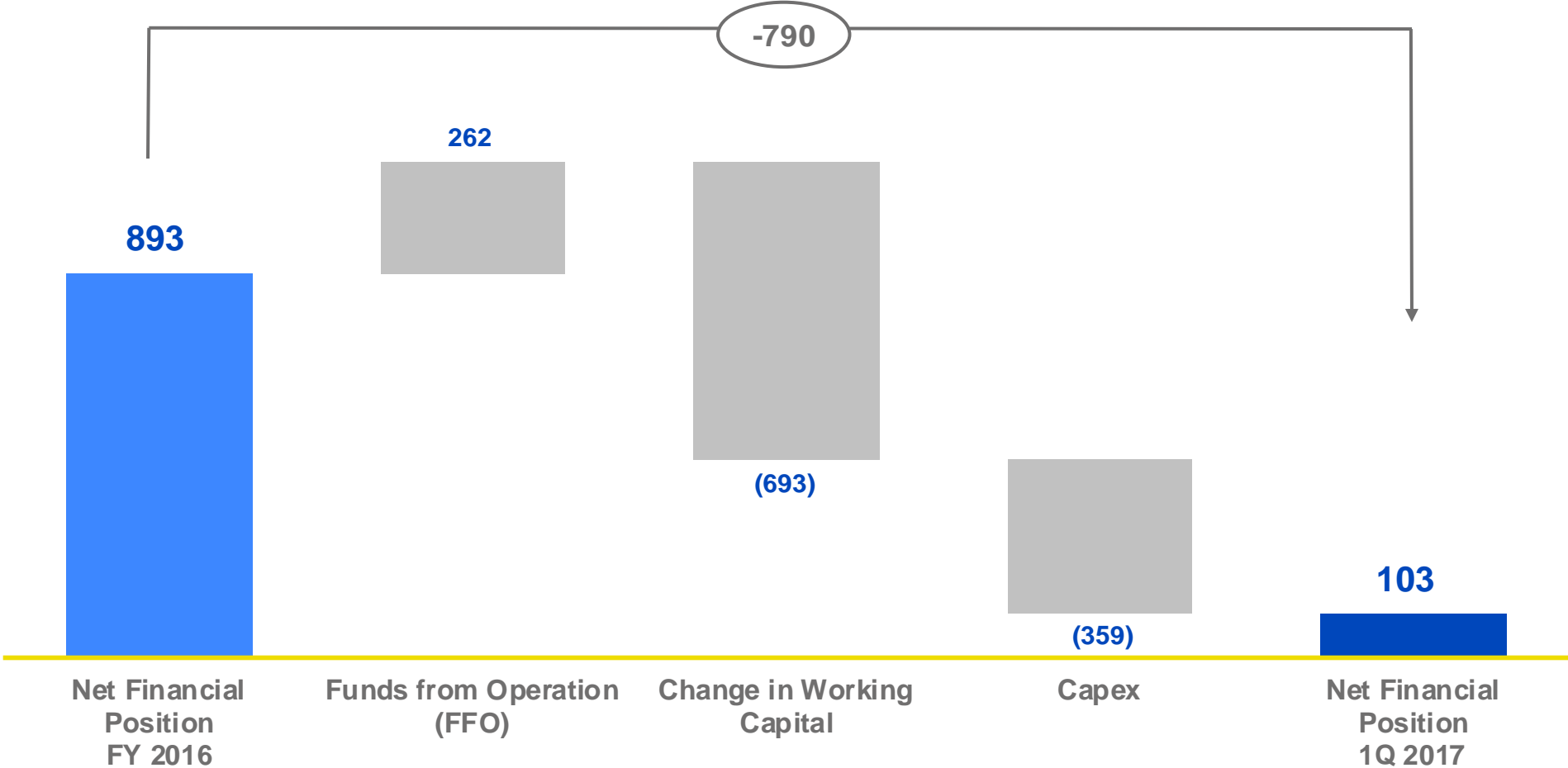


Capex Breakdown by Division (%)



# INDUSTRIAL NET FINANCIAL POSITION

(€m)





## STRONG FOCUS ON



**NEW INDUSTRIAL  
PLAN**



**CASH  
GENERATION**



**Commitment on future dividend policy**



# APPENDIX

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# GROUP PROFIT & LOSS STATEMENT

1Q 2017

€m	1Q 2016	1Q 2017	Var.%
Revenue from sales and services	2,161	2,095	(3.1%)
Insurance premium revenue	6,116	5,916	(3.3%)
Other income from financial and insurance activities	1,467	1,513	3.1%
Other operating income	15	15	n.m.
<b>Sales</b>	<b>9,759</b>	<b>9,539</b>	<b>(2.3%)</b>
Personnel costs	(1,505)	(1,480)	(1.7%)
Other operating expenses	(813)	(818)	0,7%
Net change in technical provisions for insurance business and other claims expenses	(6,728)	(6,574)	(2.3%)
Depreciation & amortization	(151)	(142)	(6.0%)
<b>EBIT</b>	<b>562</b>	<b>526</b>	<b>(6.4%)</b>
Net interest income / (Expense)	6	6	n.m.
<b>Profit before tax</b>	<b>568</b>	<b>532</b>	<b>(6.3%)</b>
Tax	(201)	(181)	(10.0%)
<b>Net income</b>	<b>367</b>	<b>351</b>	<b>(4.4%)</b>

# GROUP KEY BALANCE SHEET ITEMS

1Q 2017

€m	FY 2016	1Q 2017	Var.%
Cash & Equivalents	3,902	4,126	5.7%
BancoPosta related Cash	2,494	2,957	18.6%
Receivables & Inventory	2,073	2,518	21.5%
Financial Assets	174,362	175,225	0.5%
Tangible and Intangible Assets	2,649	2,587	(2.3%)
Other	5,005	5,804	16.0%
<b>Non-current assets and groups of assets held for sale</b>	<b>2,720</b>	<b>2,665</b>	<b>(2.0%)</b>
<b>Total Assets</b>	<b>193,205</b>	<b>195,882</b>	<b>1.4%</b>
Trade Payables	1,506	1,398	(7.2%)
Financial liabilities	60,921	62,570	2.7%
Technical Reserves	113,678	115,494	1.6%
Other	6,906	7,071	2.4%
<b>Liabilities related to assets held for sale</b>	<b>2,060</b>	<b>2,044</b>	<b>(0.8%)</b>
<b>Total Liabilities</b>	<b>185,071</b>	<b>188,577</b>	<b>1.9%</b>
Shareholders capital	1,306	1,306	-
Reserves	6,828	5,999	(12.1%)
<b>Totale Equity</b>	<b>8,134</b>	<b>7,305</b>	<b>(10.2%)</b>
<b>Total Liabilities &amp; Equity</b>	<b>193,205</b>	<b>195,882</b>	<b>1.4%</b>

# GROUP CASH FLOW STATEMENT

1Q 2017

€m	1Q 2016	1Q 2017	Var.%
Net income	367	351	(4.4%)
Depreciation and amortization	151	142	(6.0%)
Net provisions for risks and charges	115	186	61.7%
(Use of Provisions for risks and charges)	(106)	(80)	(24.5%)
Net change in employee termination benefits and pension plans	(33)	(54)	63.6%
Other	10	19	90.0%
<b>FFO</b>	<b>504</b>	<b>564</b>	<b>11.9%</b>
Change in working capital	159	(488)	n.m.
Effect related to net assets held for sale	0	26	n.m.
<b>Cash flow from operations</b>	<b>663</b>	<b>102</b>	<b>(84.6%)</b>
Capital expenditures	(62)	(81)	30.6%
Net change in subsidiaries and associates	0	(283)	n.m.
Disposals	2	2	-
<b>Cash flow from investments</b>	<b>(60)</b>	<b>(362)</b>	<b>n.m.</b>
Cash Flow from financial assets and liabilities	(652)	484	n.m.
<b>Cash flow from financing</b>	<b>(652)</b>	<b>484</b>	<b>n.m.</b>
<b>Net change in cash</b>	<b>(49)</b>	<b>224</b>	<b>n.m.</b>

# GROUP WORKING CAPITAL

1Q 2017

€m	FY 2016	1Q 2017	Var.%
Trade receivables	2,172	2,678	23.3%
Inventories	137	137	-
Other receivables and assets	3,671	3,880	5.7%
Current tax receivables	15	15	-
Trade payables	(1,506)	(1,398)	(7.2%)
Other liabilities	(3,218)	(3,389)	5.3%
Current tax liabilities	(88)	(257)	n.m.
<b>Working Capital</b>	<b>1,183</b>	<b>1,666</b>	<b>40.8%</b>
Deferred tax asset	799	1,039	30.0%
Deferred tax liabilities	(746)	(517)	(30.7%)
<b>Working Capital and deferred taxes</b>	<b>1,236</b>	<b>2,188</b>	<b>77.0%</b>

# CHANGE IN GROUP WORKING CAPITAL

1Q 2017

€m	1Q 2016	1Q 2017	Var.%
Trade receivables	(15)	(506)	n.m.
Inventories	0	0	n.m.
Other receivables and assets	(157)	(209)	33.1%
Current tax receivables	(1)	0	n.m.
Trade payables	(111)	(108)	(2.7%)
Other liabilities	247	171	(30.8%)
Current tax liabilities	207	169	(18.4%)
Deferred tax assets	(20)	(240)	n.m.
Deferred tax liabilities	(139)	(229)	64.7%
<b>Total Change in Working capital and deferred taxes</b>	<b>11</b>	<b>(952)</b>	<b>n.m.</b>
Financial Income on discounted receivables	2	1	(50.0%)
Net write-downs and loss on receivables	(7)	(10)	n.m.
Deferred tax on fair value changes and TFR actuarial income	153	473	n.m.
<b>Adjustments (non monetary items and shareholders' transactions)</b>	<b>148</b>	<b>464</b>	<b>n.m.</b>
<b>Change in Working Capital and deferred taxes as per cash flow statement</b>	<b>159</b>	<b>(488)</b>	<b>n.m.</b>

# MAIL & PARCELS KEY BALANCE SHEET ITEMS

1Q 2017

€m

## Assets

Property, plant and equipment	2,007
Investment property	55
Intangible assets	424
Investments*	2,156
Financial assets	895
Trade receivables	4
Deferred tax assets	442
Other receivables and assets	141
<b>Total Non-current assets</b>	<b>6,124</b>
Inventories	134
Trade receivables	2,187
Current tax assets	14
Other receivables and assets	441
Financial assets	276
Cash and cash equivalents	1,393
<b>Total Current assets</b>	<b>4,445</b>
<b>Total Assets</b>	<b>10,569</b>

## Equity and Liabilities

<b>Totale Equity</b>	<b>2,835</b>
Provisions for risks and charges	271
Employee termination benefits and pension plans	1,276
Financial liabilities	1,242
Deferred tax liabilities	24
Other liabilities	67
<b>Total Non-current liabilities</b>	<b>2,880</b>
Provisions for risks and charges	839
Trade payables	1,299
Current tax liabilities	212
Other liabilities	1,247
Financial liabilities	1,257
<b>Total Current liabilities</b>	<b>4,854</b>
<b>Totale Equity and Liabilities</b>	<b>10,569</b>

\* It includes investments accounted for at cost in financial and insurance sectors



# MAIL & PARCELS AND OTHER SERVICES NET DEBT BREAKDOWN

1Q 2017

€m	FY 2016	1Q 2017	Var.%
<b>Cash and Cash Equivalents</b>	<b>1,577</b>	<b>1,401</b>	<b>(11.2%)</b>
<b>Current Financial Assets</b>	<b>63</b>	<b>53</b>	<b>(15.9%)</b>
Short term debt	(2)	0	n.m.
Current part of long term debt	(14)	(20)	42.9%
Other current financial liabilities	(22)	(23)	4.5%
<b>Current Financial Position</b>	<b>(38)</b>	<b>(43)</b>	<b>13.2%</b>
<b>Current Net Financial Position</b>	<b>1,602</b>	<b>1,411</b>	<b>(11.9%)</b>
Long term debt	(400)	(400)	-
Bonds	(798)	(798)	-
Other non current financial liabilities	(50)	(44)	(12.0%)
<b>Non Current Financial Position</b>	<b>(1,248)</b>	<b>(1,242)</b>	<b>(0.5%)</b>
<b>Net Financial Position</b>	<b>354</b>	<b>169</b>	<b>(52.3%)</b>
Non current financial assets	651	645	(0.9%)
<b>Net Financial Position - Mail &amp; Parcel and Other Services</b>	<b>1,005</b>	<b>814</b>	<b>(19.0%)</b>
Intersegment financial receivables	522	473	(9.4%)
Intersegment financial payables	(634)	(1,184)	86.8%
<b>Net Financial Position (net of intersegments) *</b>	<b>893</b>	<b>103</b>	<b>(88.5%)</b>

\* Including a Net Financial Position of Other Services (€38 for the first quarter 2017 and €48m in 2016)

# FINANCIAL SERVICES

## PROFIT & LOSS

€m	1Q 2016	1Q 2017	Var.%
Total revenue	1,710	1,677	(1.9%)
o/w Market revenue	1,556	1,518	(2.5%)
o/w Intercompany revenue	154	159	4.2%
Personnel costs	(33)	(33)	n.m.
Other operating expenses	(1,410)	(1,416)	0.4%
<b>EBITDA</b>	<b>267</b>	<b>229</b>	<b>(14.4%)</b>
<i>EBITDA margin</i>	15.6%	13.6%	
Depreciation and amortisation	(0)	(0)	n.m.
<b>EBIT</b>	<b>267</b>	<b>228</b>	<b>(14.6%)</b>
<i>EBIT margin</i>	15.6%	13.6%	

# INSURANCE AND ASSET MANAGEMENT

## PROFIT & LOSS

€m	1Q 2016	1Q 2017	Var.%
Total revenue	7,210	7,057	(2.1%)
o/w Market revenue	7,210	7,057	(2.1%)
o/w Intercompany revenue	0	0	n.m.
Personnel costs	(10)	(11)	2.2%
Other operating expenses	(7,088)	(6,887)	(2.8%)
<b>EBITDA</b>	<b>111</b>	<b>160</b>	<b>43.2%</b>
<i>EBITDA margin</i>	1.5%	2.3%	
Depreciation and amortisation	(4)	(4)	n.m.
<b>EBIT</b>	<b>108</b>	<b>155</b>	<b>43.5%</b>
<i>EBIT margin</i>	1.5%	2.2%	

# MAIL & PARCELS

## PROFIT & LOSS

€m	1Q 2016	1Q 2017	Var.%
Total revenue	2,288	2,248	(1.7%)
o/w Market revenue	936	914	(2.4%)
o/w Intercompany revenue	1,352	1,334	(1.3%)
Personnel costs	(1,457)	(1,432)	(1.7%)
Other operating expenses	(517)	(550)	6.5%
<b>EBITDA</b>	<b>314</b>	<b>266</b>	<b>(15.4%)</b>
<i>EBITDA margin</i>	13.7%	11.8%	
Depreciation and amortisation	(138)	(132)	(4.3%)
<b>EBIT</b>	<b>177</b>	<b>135</b>	<b>(23.7%)</b>
<i>EBIT margin</i>	7.7%	6.0%	

# OTHER SERVICES

## POSTE MOBILE KEY FINANCIALS

€m

### P&L

	1Q 2016	1Q 2017	Var. %
Total revenue	79	57	(28.8%)
o/w Market revenue	58	50	(12.3%)
o/w Intercompany revenue	22	6	(72.1%)
Personnel costs	(5)	(4)	(25.4%)
Other operating expenses	(54)	(39)	(28.1%)
EBITDA	20	14	(31.7%)
EBITDA margin	25,0%	24,0%	
Depreciation and amortisation	(9)	(6)	(39.3%)
<b>EBIT</b>	<b>10</b>	<b>8</b>	<b>(24.9%)</b>
EBIT margin	13,2%	13,9%	
Non-operating income/(expenses)	(0)	(0)	(28.5%)
<b>Profit before taxes</b>	<b>10</b>	<b>8</b>	<b>(24.9%)</b>
Taxes	(3)	(2)	(30.2%)
<b>Profit after taxes</b>	<b>7</b>	<b>6</b>	<b>(22.5%)</b>

€m

### Cash flow statement

	1Q 2016	1Q 2017	Var. %
FFO	17,0	11,6	(31.8%)
Cash flow from investments	(6,1)	(5,7)	7.0%
Net change in cash	(7,7)	(13,1)	(69.7%)

### Other key data

	1Q 2016	1Q 2017	Var. %
Average number of users (sim cards -#k)	3,612	3,659	1.3%
ARPU (€)	4,8	4,3	(10.7%)

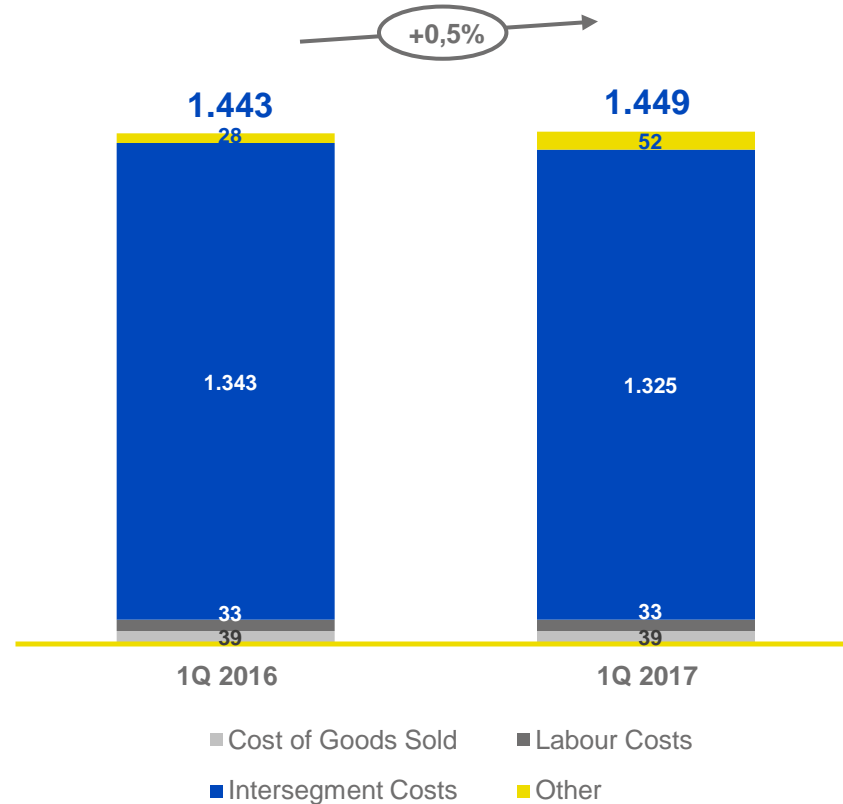
1. calculated on total sim cards (active and non active sim cards)

# FINANCIAL SERVICES

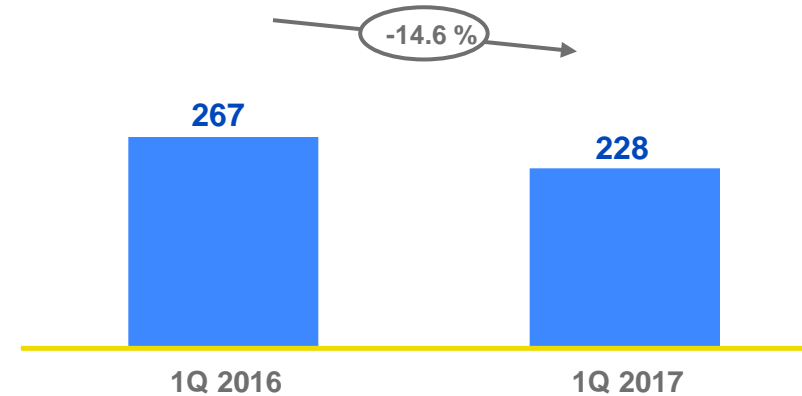
## COST STRUCTURE AND PROFITABILITY AT DIVISIONAL LEVEL

(€m)

### Operating Costs



### Operating Profit<sup>1</sup>

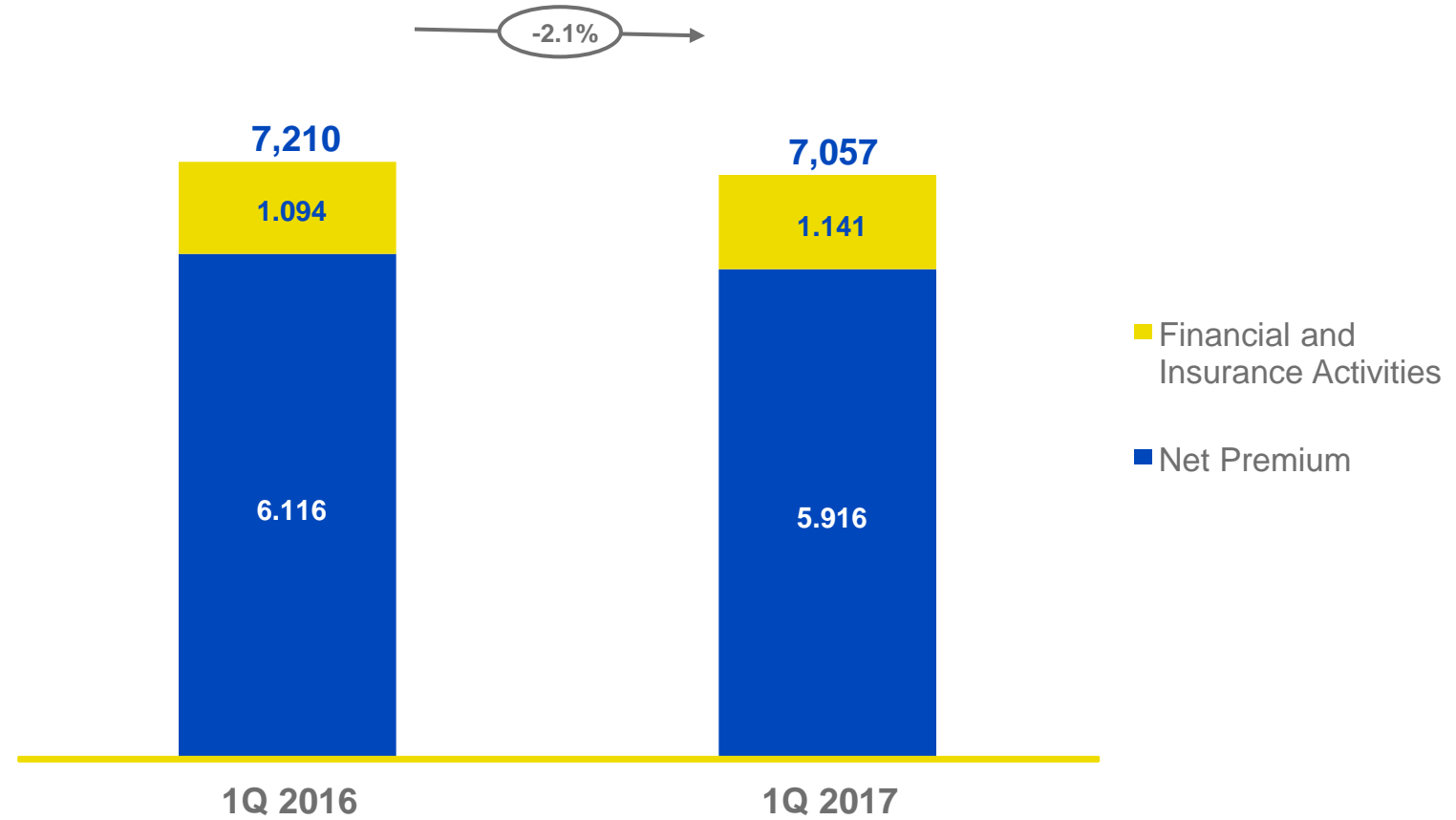


1. Includes intersegment revenues

# FOCUS ON INSURANCE AND ASSET MANAGEMENT

## REVENUES BREAKDOWN

(€m)



# INSURANCE AND ASSET MANAGEMENT

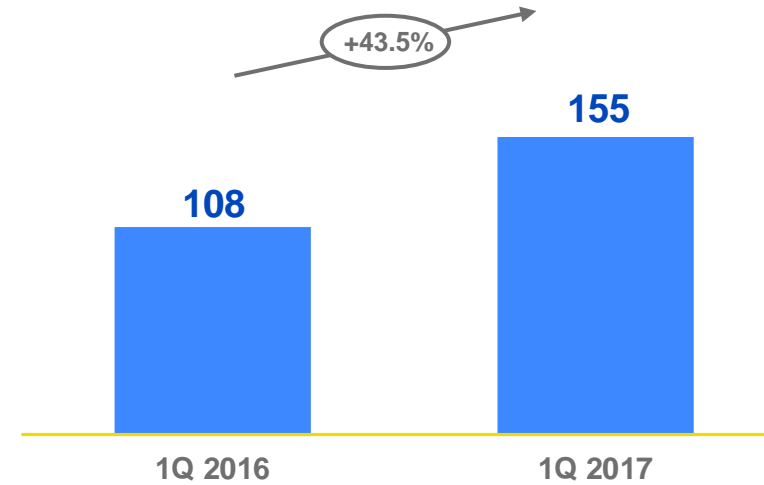
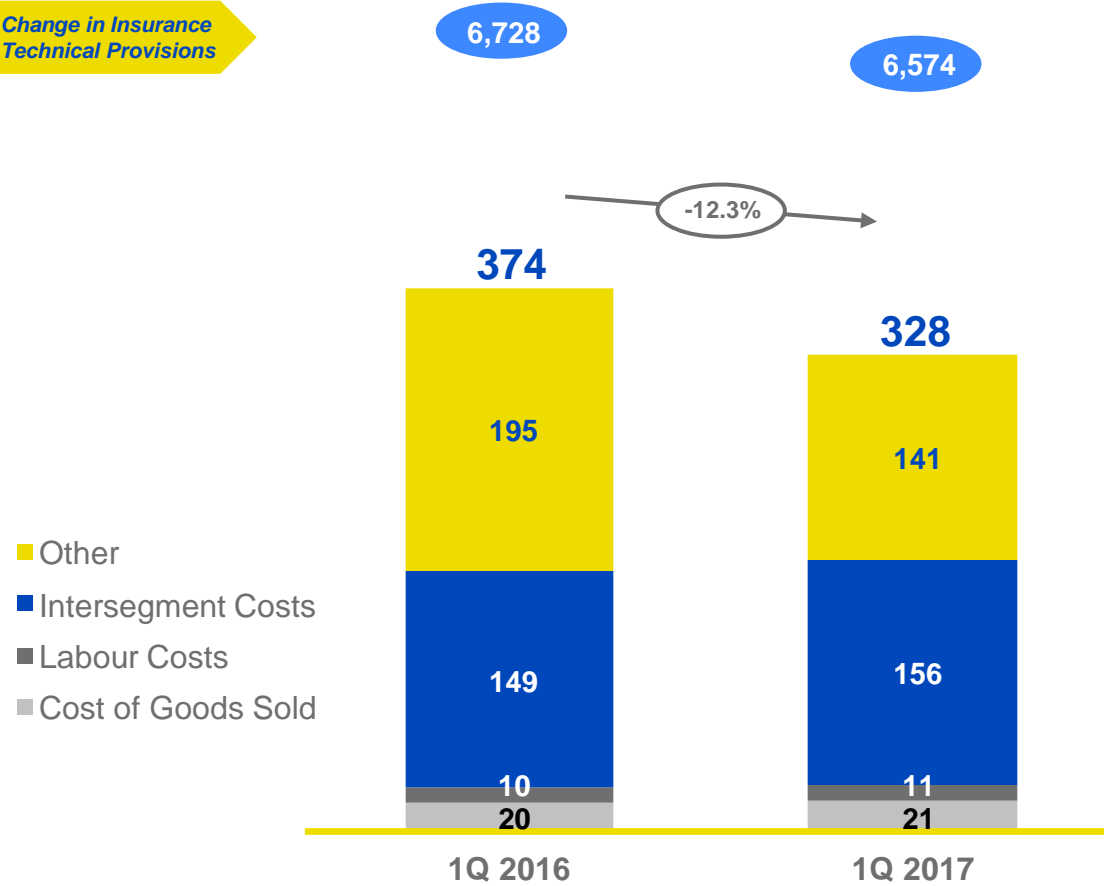
## COST STRUCTURE AND PROFITABILITY AT DIVISIONAL LEVEL

(€m)

### Operating Costs

### Operating Profit<sup>1</sup>

Change in Insurance  
Technical Provisions



1. Includes intersegment revenues



# SEGMENT FLOW DESCRIPTION

1Q 2017

(€m)

	Mail & Parcels Including Network	Financial Services	Insurance and Asset Management	Poste Italiane Group <sup>2</sup>
Market Revenues	914	1,518	7,057	9,539
Intersegment Revenues	1,334	159	-	-
<b>Totale Revenues</b>	<b>2,248</b>	<b>1,677</b>	<b>7,057</b>	<b>9,539</b>
Personnel Costs	(1,432)	(33)	(11)	(1,480)
Other operating costs <sup>1</sup>	(666)	(92)	(162)	(960)
Net change in Technical Provisions	-	-	(6,574)	(6,574)
Intersegment Costs	(15)	(1,325)	(156)	-
<b>Operating Costs</b>	<b>(2,113)</b>	<b>(1,449)</b>	<b>(6,902)</b>	<b>(9,013)</b>
<b>Operating Profit (Loss)</b>	<b>135</b>	<b>228</b>	<b>155</b>	<b>526</b>

1. Including external costs, and D&A

2. Including Other Services (Poste Mobile)

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