

POSTE ITALIANE

3Q & 9M 2018 FINANCIAL RESULTS

Rome, 8 November 2018



EXECUTIVE SUMMARY

BUSINESS REVIEW

CLOSING REMARKS

Q&A

3Q 2018 results on track to meet all *Deliver 2022* targets for 2018

***Deliver 2022* actions supporting the performance of all segments:**

- **Mail, Parcel & Distribution: Joint Delivery Model supporting B2C parcels**
- **Payments, Mobile & Digital: creation of Postepay e-money institution**
- **Financial Services: growth in third party distribution and improving postal savings, reducing reliance on capital gains**
- **Insurance Services: improving mix in Life and P&C products**

Solvency ratio benefitting from effective capital management actions

Group dividend up by 5% YoY, as committed to in *Deliver 2022*

STRONG 3Q RESULTS

Net profit progressing thanks to revenue growth across all segments

€ m unless otherwise stated

	3Q 2017	3Q 2018	Var.	Var. %	9M 2017	9M 2018	Var.	Var. %
Revenues	2,395	2,522	+127	+5.3%	7,893	7,951	+58	+0.7%
Revenues adjusted ¹	2,391	2,514	+123	+5.1%	7,297	7,555	+258	+3.5%
Total operating costs	2,066	2,066	+0	+0%	6,717	6,442	-275	-4.1%
EBIT <i>EBIT margin %</i>	329 13.7%	456 18.1%	+127 +4.3pp	+38.6%	1,176 14.9%	1,509 19.0%	+333 +4.1pp	+28.3%
EBIT adjusted ²	332	474	+142	+42.9%	717	1,183	+467	+65.1%
Net profit <i>EPS (€/share)</i>	214 0.16	321 0.25	+107 +0.08	+50.0%	724 0.55	1,056 0.81	+332 +0.26	+45.9%

1. Excludes net capital gains, IFRS 9 impact on Visa, BdM-MCC disposal, IFRS 15 impact; 2. Excludes net capital gains, early retirement incentives and real estate funds provisions.

DELIVER 2022 – PROGRESS UPDATE

Deliver 2022 initiatives well on track and focus is on execution

KEY INITIATIVES

NEXT FOCUS

KEY FINANCIALS



MAIL, PARCEL & DISTRIBUTION





Joint Delivery Model Territorial areas from 9 to 6 Agreement Agreement

Apr-18 May-18 Jun-18

- Joint Delivery Model fully on track (40% of the planned delivery centres already under the new model, 100% FY2018 target achieved)



PAYMENTS, MOBILE & DIGITAL





Agreement Launch of Postepay Sp.A. (Italy's largest EMI) Launch of Postepay Connect

Apr-18 Oct-18 Nov-18

- Building on positioning as Italy's leading Payment Institution
- Full convergence integrating PostePay Connect



FINANCIAL SERVICES

Core Agreements:
 





Agreement Roll-out of new CRM for relationship managers

Dec-17 Apr-18 Jul-18 Sep-18

- Dedicated products to best meet customers's needs
- Continue training and skill development



INSURANCE SERVICES

- Advanced multiasset and P&C products...
- ...and leveraged Internet of Things (IoT) in P&C
- Proactive capital management actions to address Solvency II





- Evolution of multiasset and P&C, IoT integration
- Solvency II: implementation of capital management actions

	9M 2018	Targets FY 2018
Segment revenue	2.6 €/bn	3.5 €/bn
EBIT	0.2 €/bn	-0.4 €/bn
Segment revenue	0.5 €/bn	0.6 €/bn
EBITDA & EBIT	0.2 €/bn	0.2 €/bn
Segment revenue	3.8 €/bn	5.1 €/bn
Net profit	0.4 €/bn	0.7 €/bn
Segment revenue	1.0 €/bn	1.5 €/bn
Net profit	0.4 €/bn	0.6 €/bn

MANAGING GOVERNMENT BOND VOLATILITY

No operational impact on business or strategic plan targets

IMPACT

ACTIONS



FINANCIAL SERVICES

- Financial services business as usual
- Unrealized capital losses with no impact on P&L
- Capital gains and Net Interest Income profile allow for *Deliver 2022* targets to be fully achieved in all realistic market scenarios

- Active portfolio management:
 - 4Q 2017: secured 2018 capital gains
 - 2Q 2018: secured most of 2019 capital gains
 - Higher interest income due to widened BTP spread, securing the bulk of capital gains needs for the rest of the *Deliver 2022* plan



INSURANCE SERVICES

- Insurance services business as usual
- Solid capital position under stressed market conditions

- Proactive capital management actions on Solvency II ratio



EXECUTIVE SUMMARY

BUSINESS REVIEW

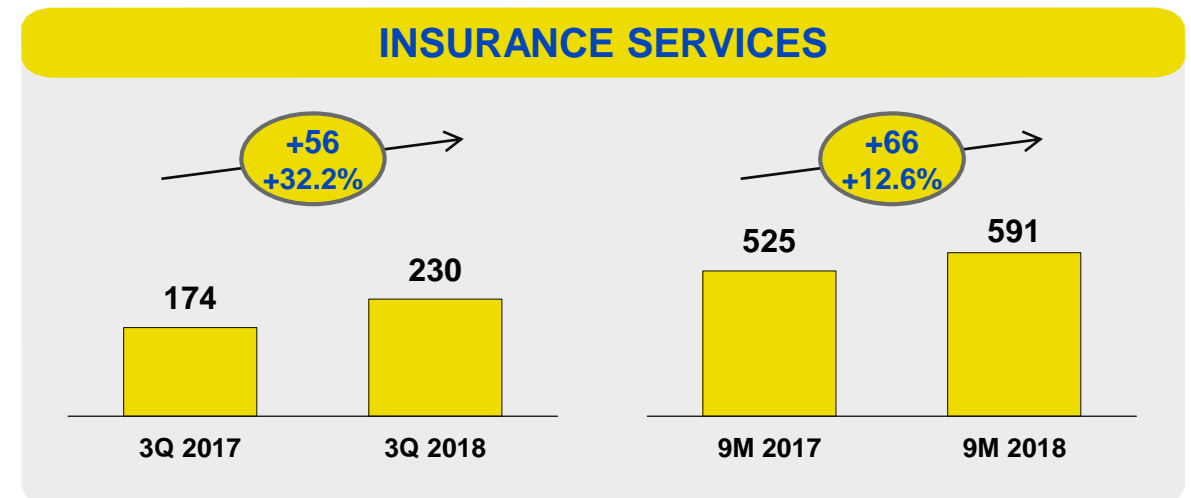
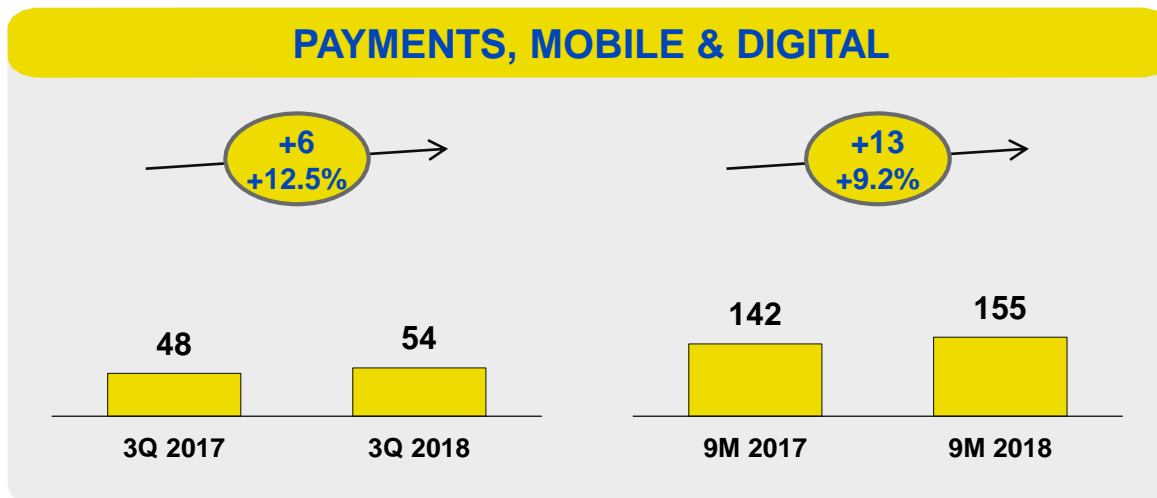
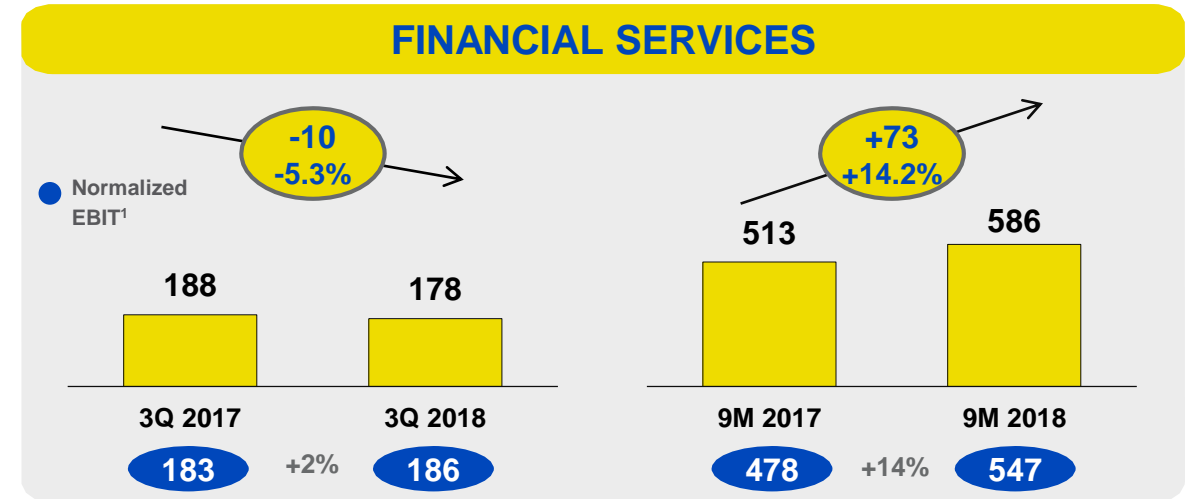
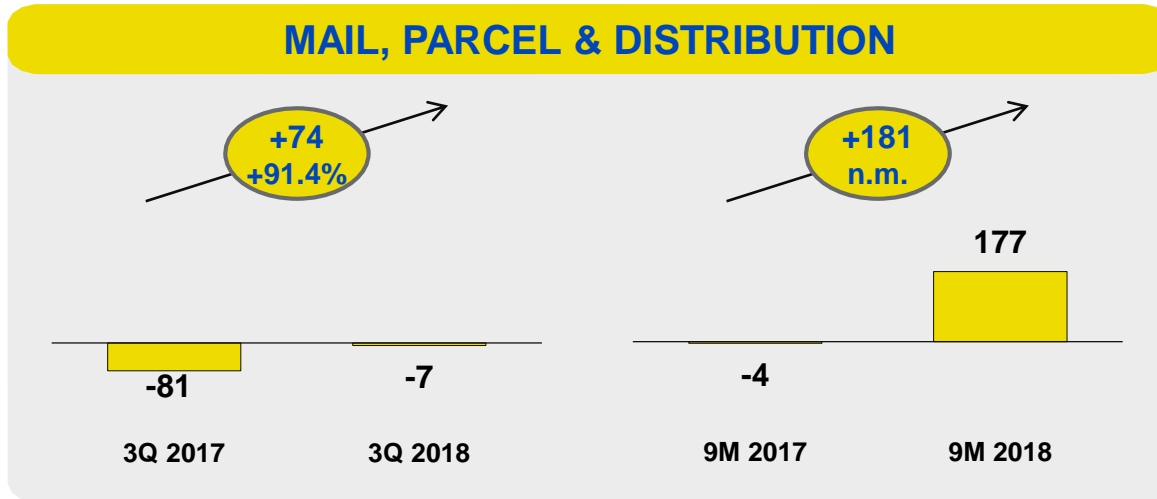
CLOSING REMARKS

Q&A

OPERATING PROFITABILITY PROGRESSION

Operating profitability improving thanks to positive revenue contribution from all segments

€ m unless otherwise stated

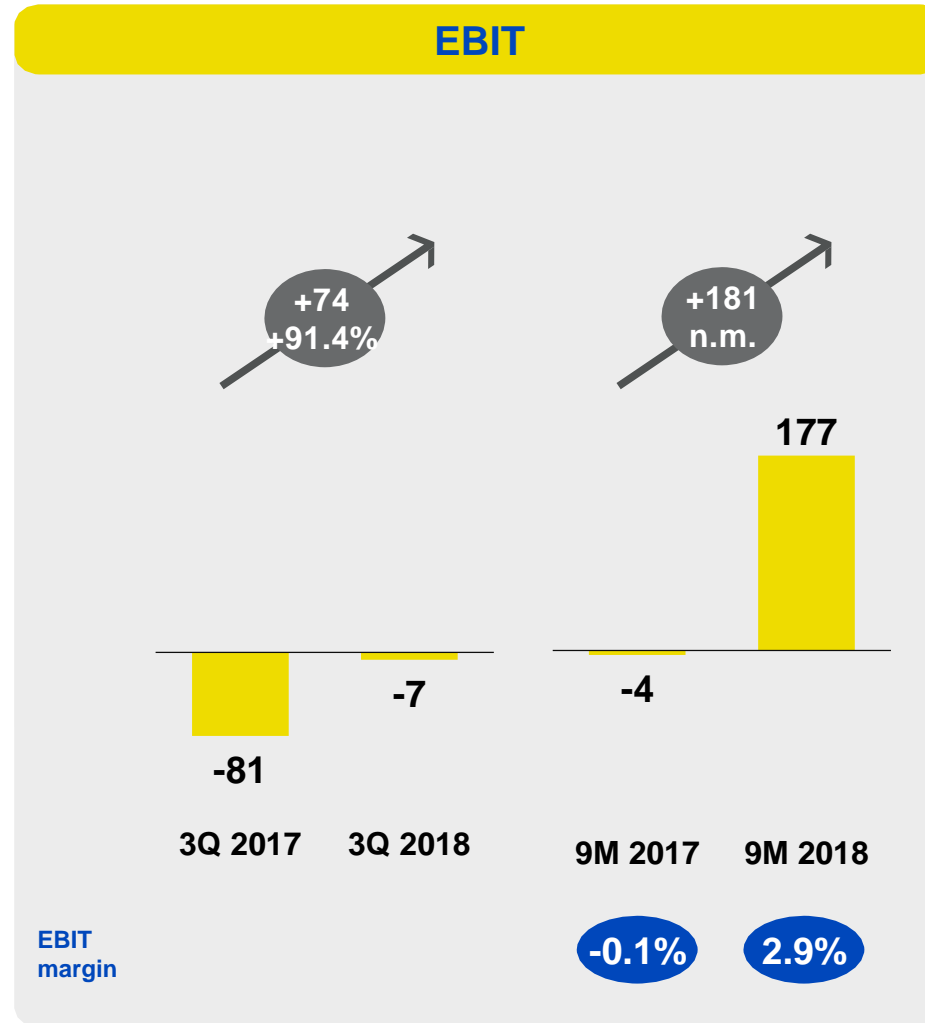
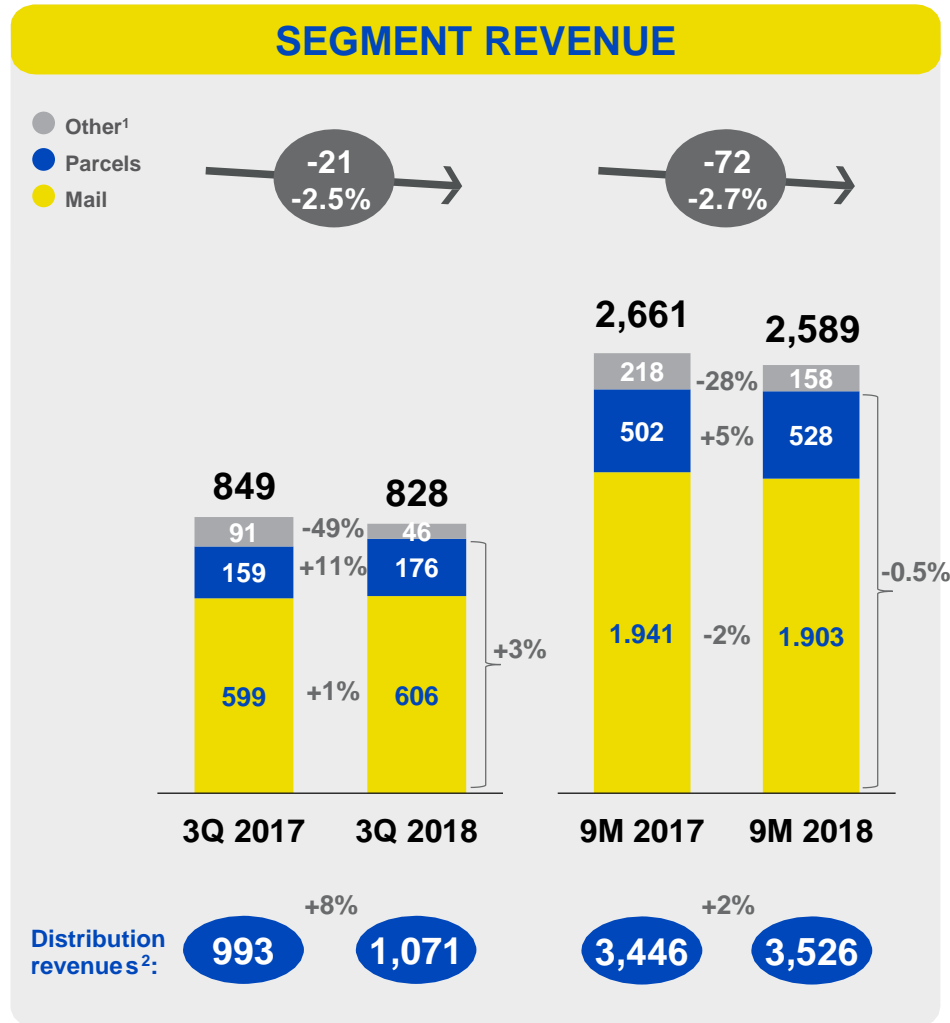


1. Excludes net capital gains on investment portfolio, early retirement incentives and real estate funds provisions.

MAIL, PARCEL & DISTRIBUTION PROFITABILITY

Strong mail quartely revenues, parcel growth acceleration

€ m unless otherwise stated



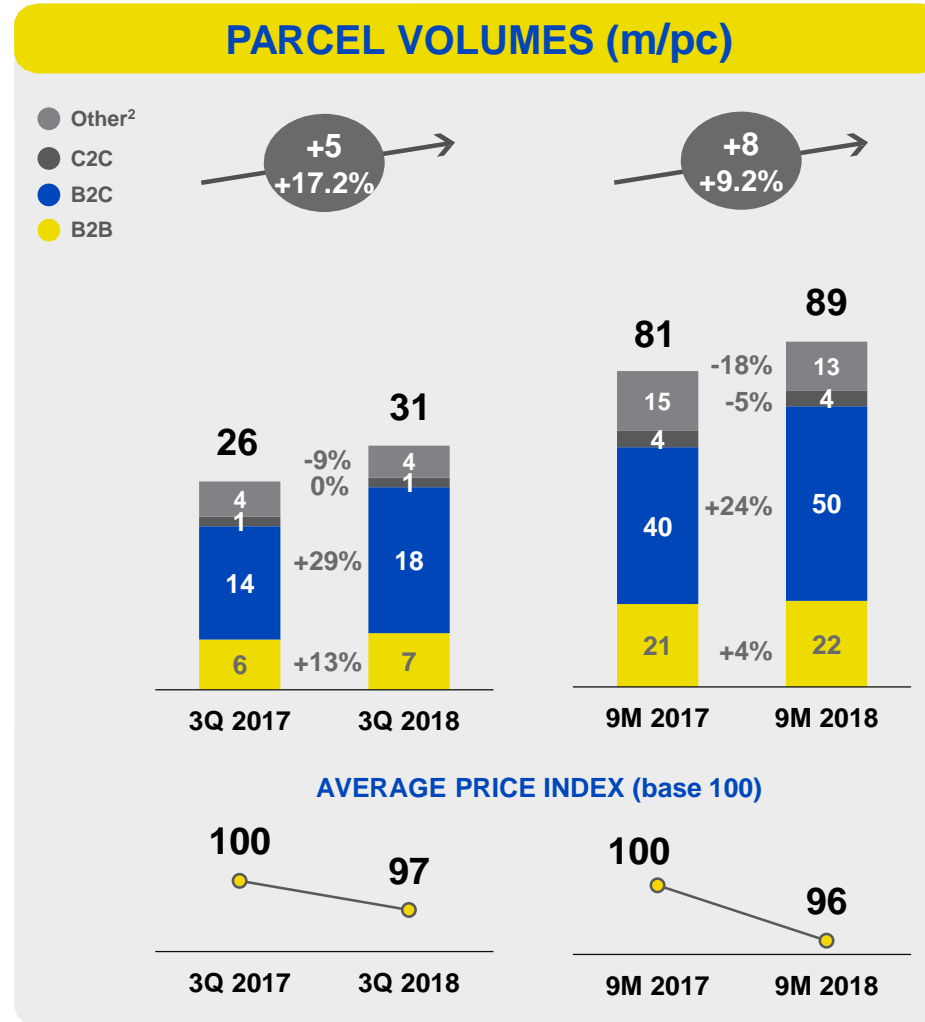
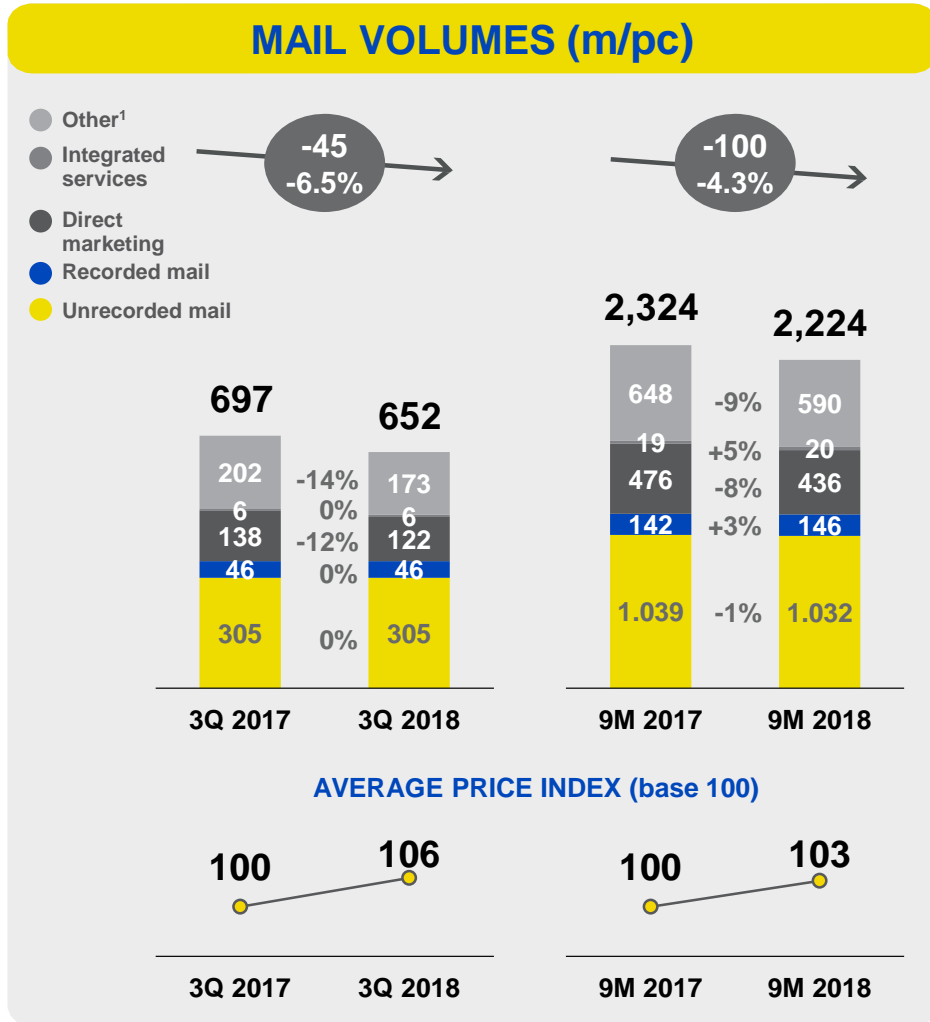
KEY HIGHLIGHTS

- Operating profitability improving, 2018 targets confirmed
- Mail revenues up benefitting from re-pricing and favorable volume mix
- Parcel revenues up, with 3Q growth in line with *Deliver 2022* target, driven by strong B2C
- “Other” revenues temporarily down. Conversion of Mistral Air to Cargo-only completed, instrumental to support the growth of B2C

1. Includes Philately, Patenti Via Poste, Poste Motori, Mistral Air and other revenues; 2. Includes income received from Other Segments in return for use of the distribution network and Corporate Services.

MAIL, PARCEL & DISTRIBUTION VOLUMES

Continued shift from Mail to Parcel with B2C +24% in 9M 2018



KEY HIGHLIGHTS

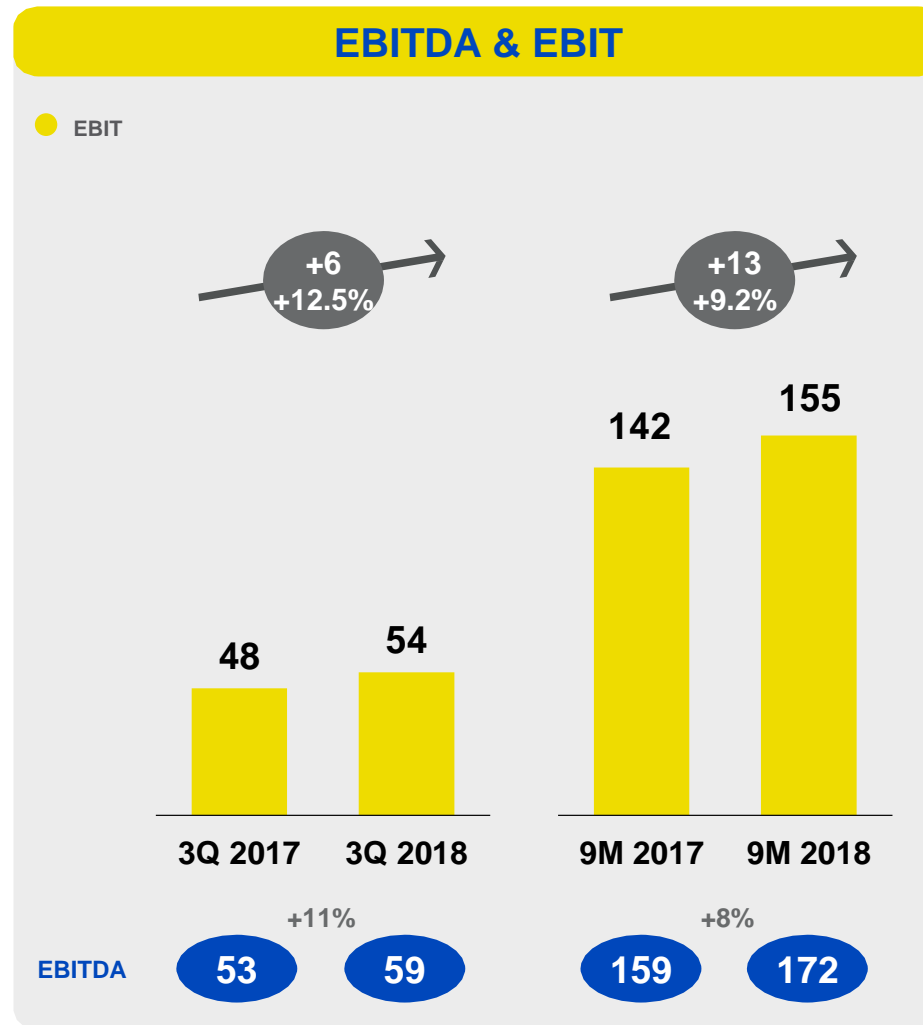
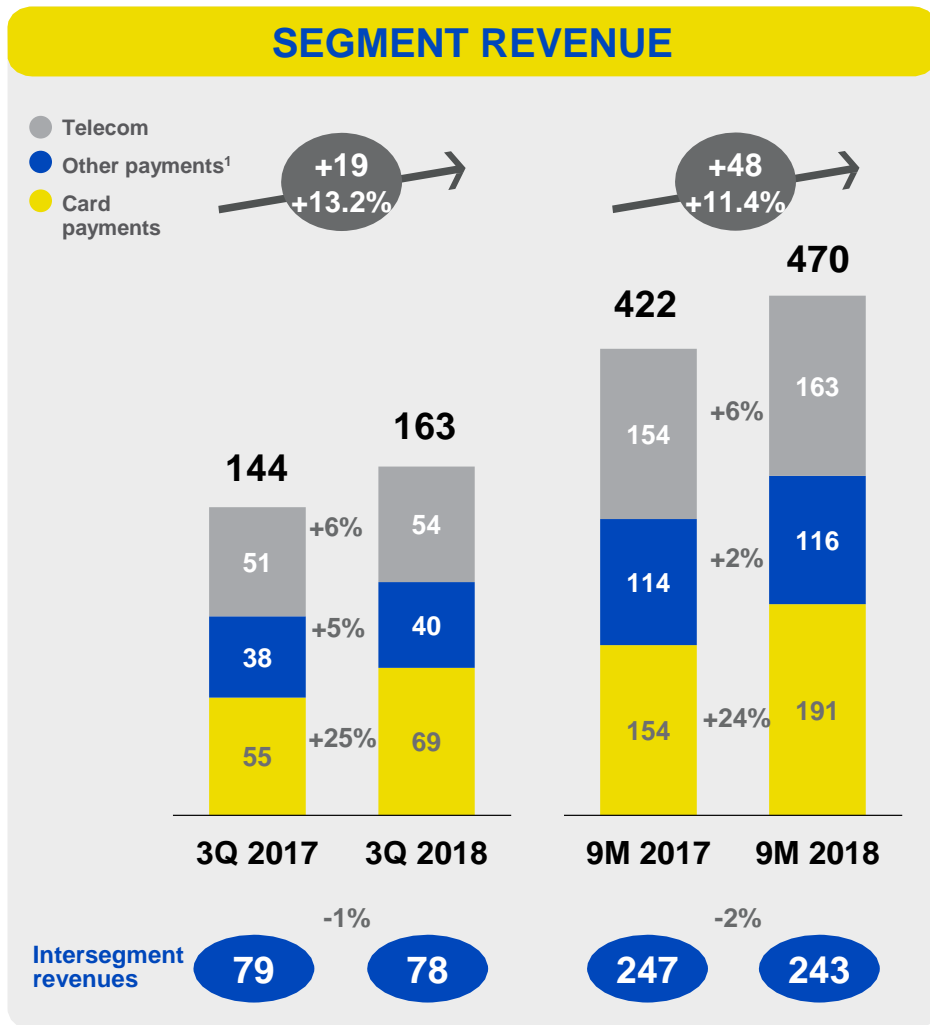
- **Mail** volumes decrease related to lower margin products (e.g. direct marketing), while average prices benefitted from repricing since July
- **Parcel** volumes positive trend boosted by B2C (+29% in 3Q, +24% in 9M 2018) and recovery of B2B (+13% in 3Q and +4% in 9M)
- Overall parcel tariff down due to volumes mix effect, with B2C prices up in the 3Q and stable in 9M 2018

1. Includes: Multichannel services, Editorial services and Postel volumes; 2. Includes: International parcels and partnership with other logistic operators.

PAYMENTS, MOBILE & DIGITAL

Strong progression of revenues and operating profitability

€ m unless otherwise stated



KEY HIGHLIGHTS

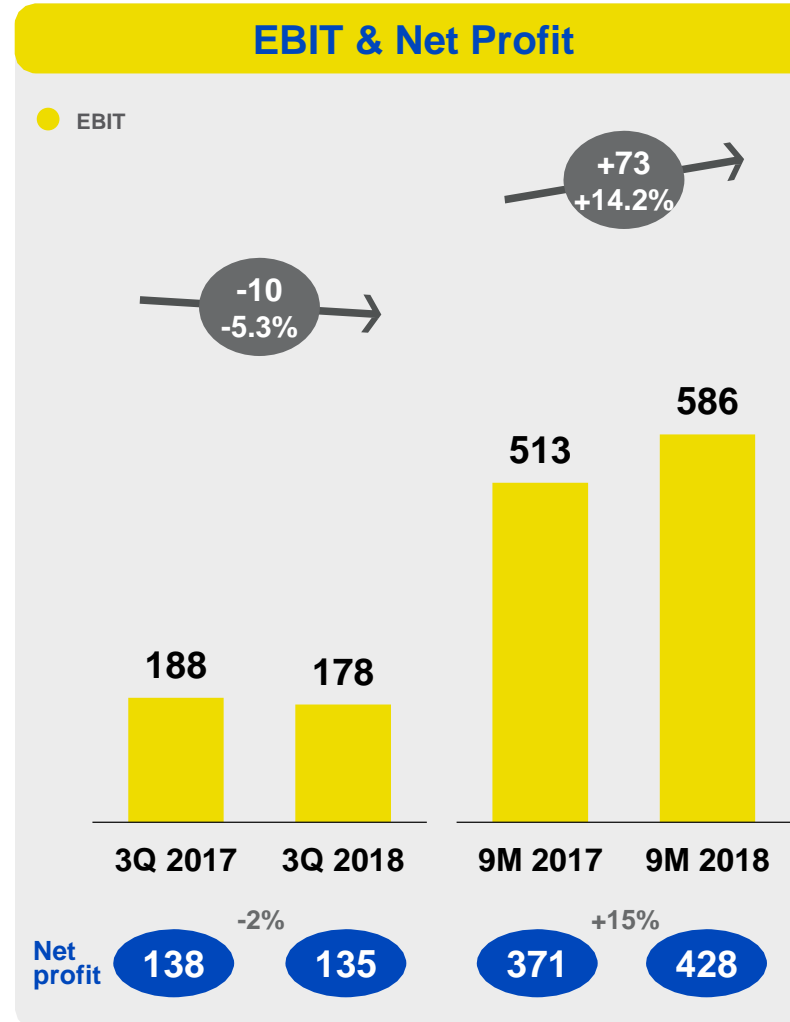
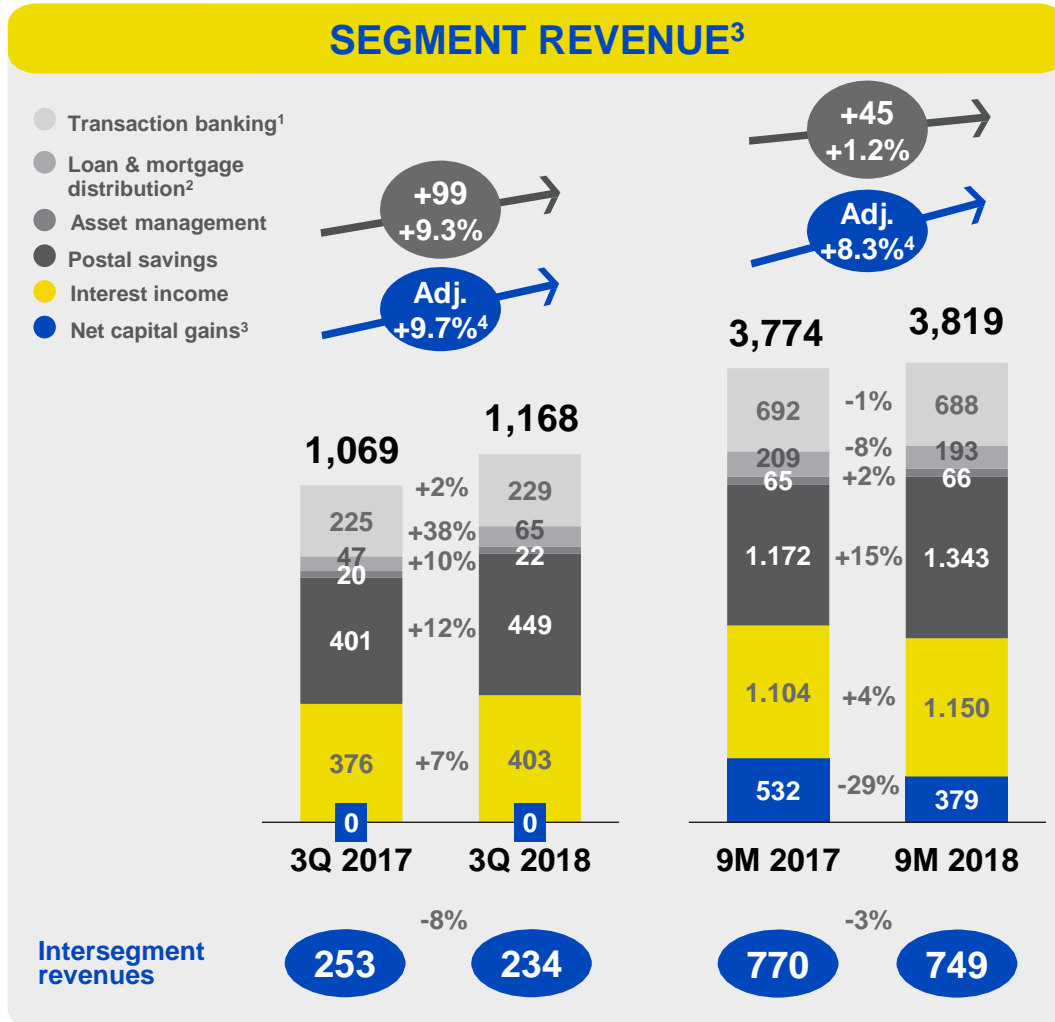
- Operating profit progressing at a sustained pace
- Strong revenues supported by:
 - growth in card payments, up 25% in 3Q, driven by increased PostePay cards and transaction volumes
 - Telecom up 6% in 3Q supported by commercial initiatives, increasing mobile and fixed lines
- Other payments¹ up 5% in 3Q 2018, benefitting from temporary effects

1. Includes fees from 'bollettino' cashed-in, tax payments slips and money transfer.

FINANCIAL SERVICES

Higher revenues in 9M 2018 more than offsetting lower planned capital gains

€ m unless otherwise stated



KEY HIGHLIGHTS

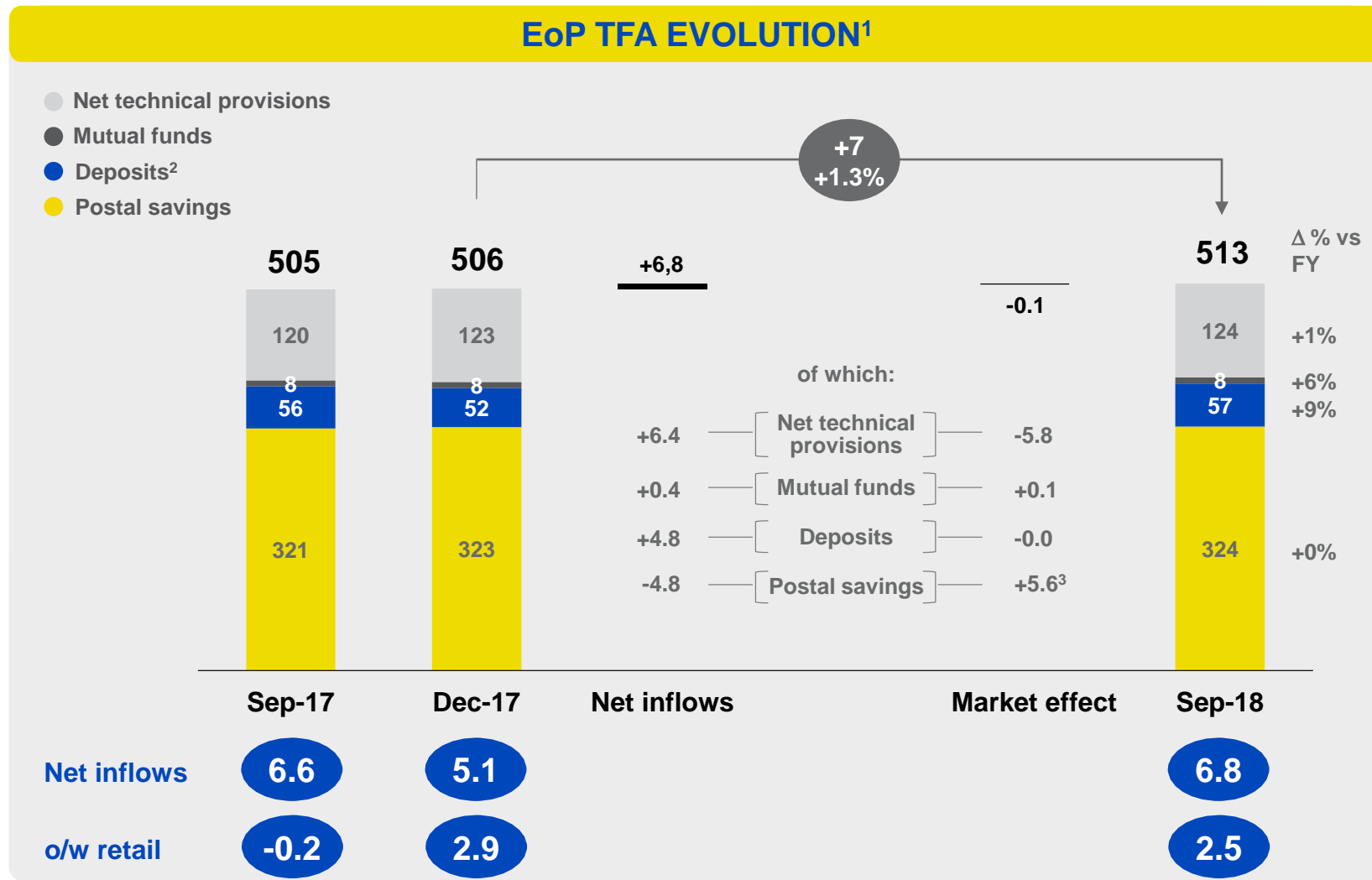
- Operating and net profit progressing, 2018 targets confirmed
- 3Q 2018 EBIT impacted by one-offs, real estate funds provisions mainly
- Postal savings fees fully on track
- Interest income up thanks to higher volumes and government bond yields
- Loan & mortgage distribution revenues strongly increasing due to higher volumes and new distribution agreements
- Asset management recurring fees increasing faster than AuM

1. Includes revenues from electronic money services, fees for collection and payment services; 2. Includes reported revenues from custody accounts, credit cards, other revenues from distribution of third parties products; 3. Gross capital gains netted by minus; 4. Based on adjusted revenues from capital gains, IFRS 15 effect and MCC-BdM.

GROUP TOTAL FINANCIAL ASSETS

Resilient business model delivering positive net inflows with strong contribution from retail

€ bn unless otherwise stated



KEY HIGHLIGHTS

- Total financial assets increased by 7bn in 9M 2018, with positive net inflows of 6.8bn:
- Insurance products +6.4bn of which +0.6bn unit linked and multiasset Class III, thanks to the launch of the new multiassets products in July 2018
- Postal savings net inflows significantly improving in 3Q 2018, thanks to new commercial initiatives
- Deposits +4.8bn supported by Public Administration accounts and resilient retail base
- Mutual funds +0.4bn despite negative market conditions

1. Not including asset under custody; 2. Deposits do not include Repo and Poste Italiane liquidity; 3. Including interests accrued.

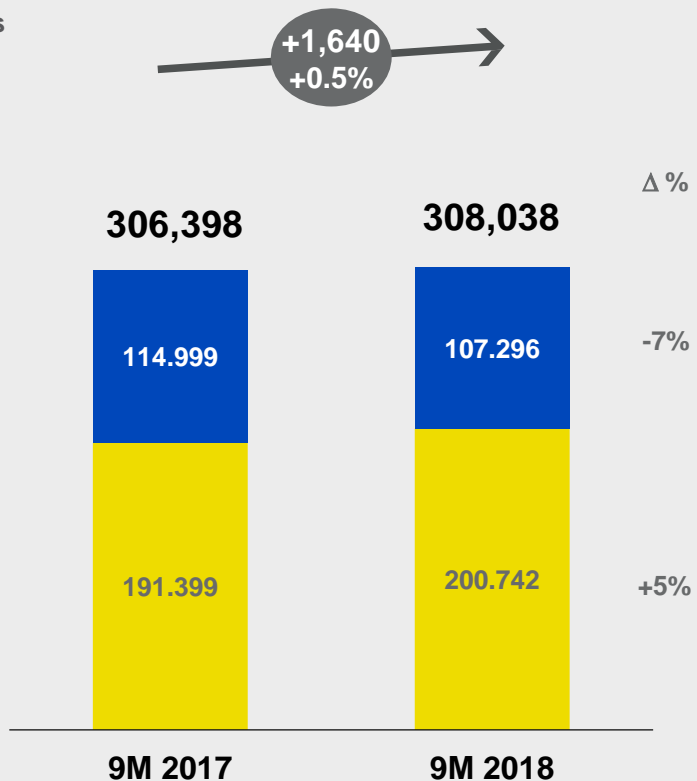
POSTAL SAVINGS

Net flows continued to improve, in line with 2018 targets

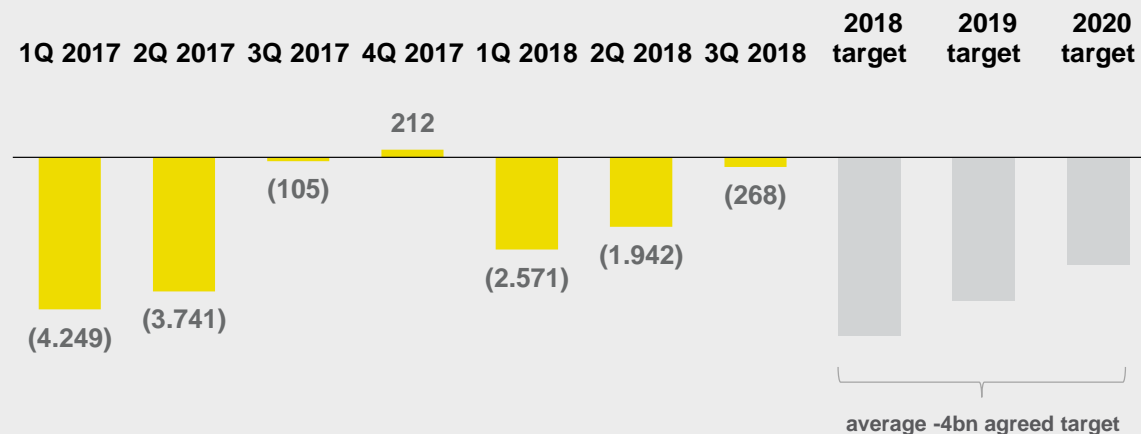
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AVERAGE POSTAL SAVINGS¹

- Postal saving books
- Postal bonds



POSTAL SAVING NET INFLOWS



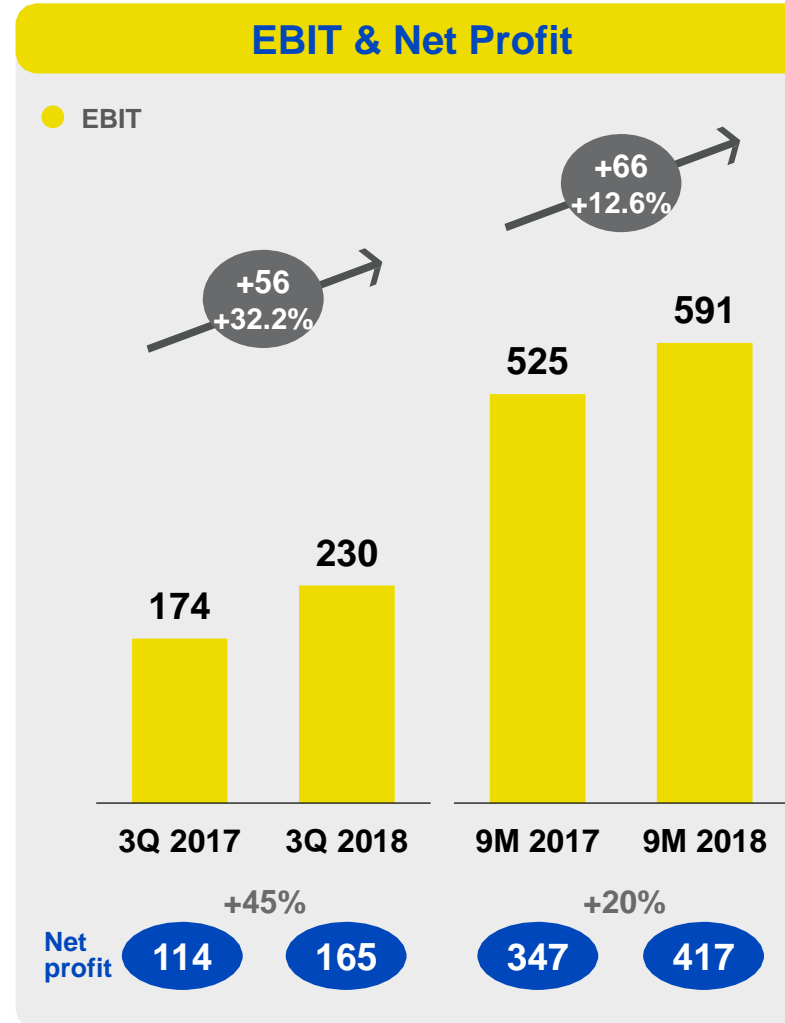
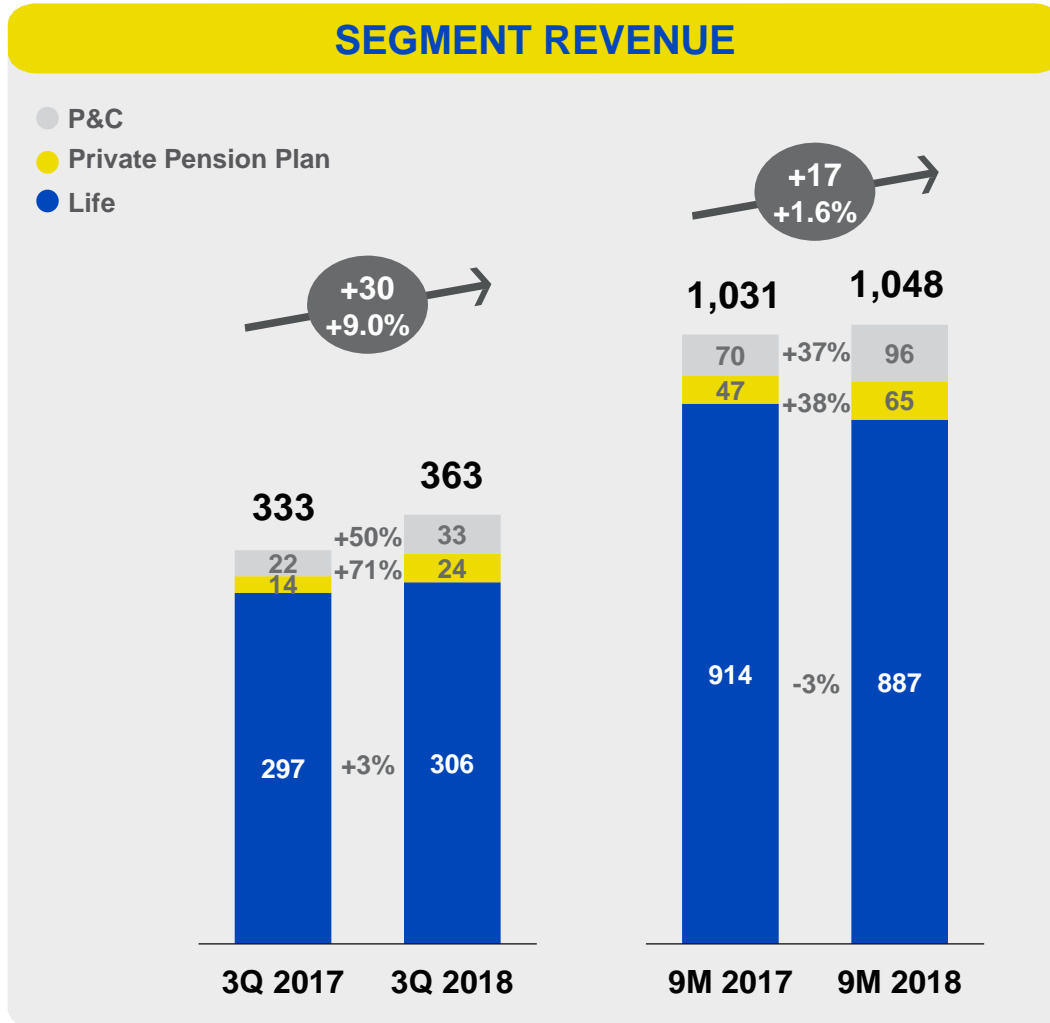
	3Q 2017	3Q 2018	Var. %	9M 2017	9M 2018	Var. %
Fees	401	449	+12.0%	1,172	1,343	+14.6%

1. Average postal savings reported according to the remuneration scheme agreed with CDP, which excludes interests accrued year-to-date and based on a maturity of postal saving books adjusted for an estimate of potential early redemptions.

INSURANCE SERVICES OPERATING RESULTS

Ongoing focus on Private Pension Plan and P&C

€ m unless otherwise stated



KEY HIGHLIGHTS

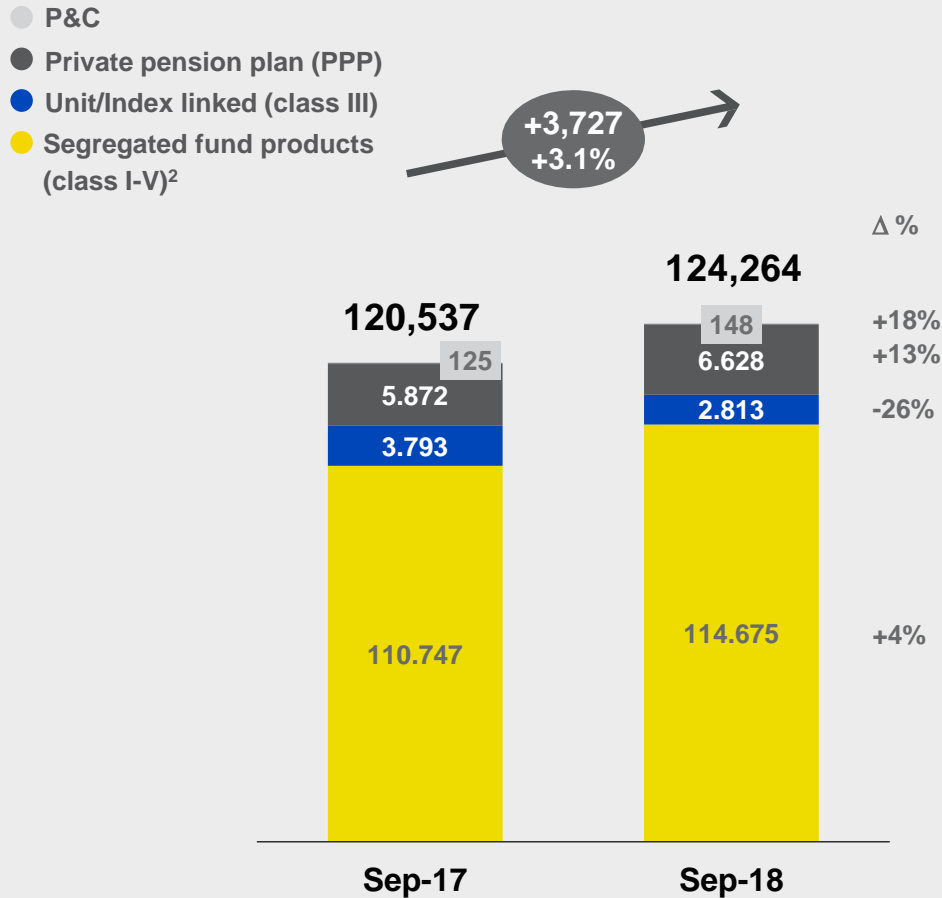
- EBIT and net profit on track with 2018 targets
- Increased operating profitability thanks to financial margin and P&C contribution

NET TECHNICAL PROVISIONS

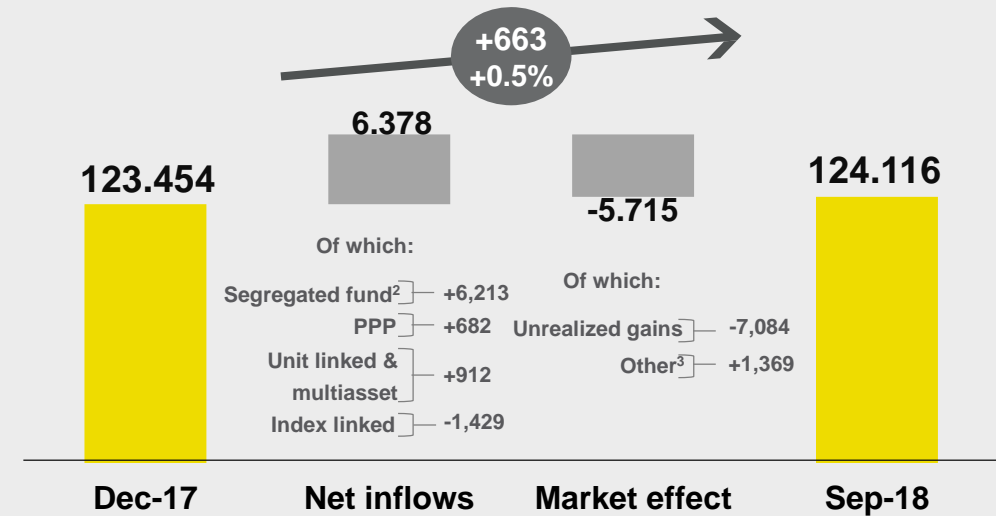
Positive net inflows in 9M 2018, more than offsetting market effect

€ m unless otherwise stated

GROUP NET TECHNICAL PROVISIONS¹



LIFE NET TECHNICAL PROVISIONS EVOLUTION



	9M 2017	FY 2017	9M 2018	Var. YoY
Unrealized gains (€/m)	7,840	8,225	1,141	-6,700
Minimum guaranteed return (Class I) (%)	0.90%	0.88%	0.82%	-8bps
Class I return (%)	2.91%	3.03%	2.76%	-14bps

1. Includes non-life technical reserves and net of re-insurance reserves; 2. Includes life protection; 3. Includes interests, upfront fees and other minor items.

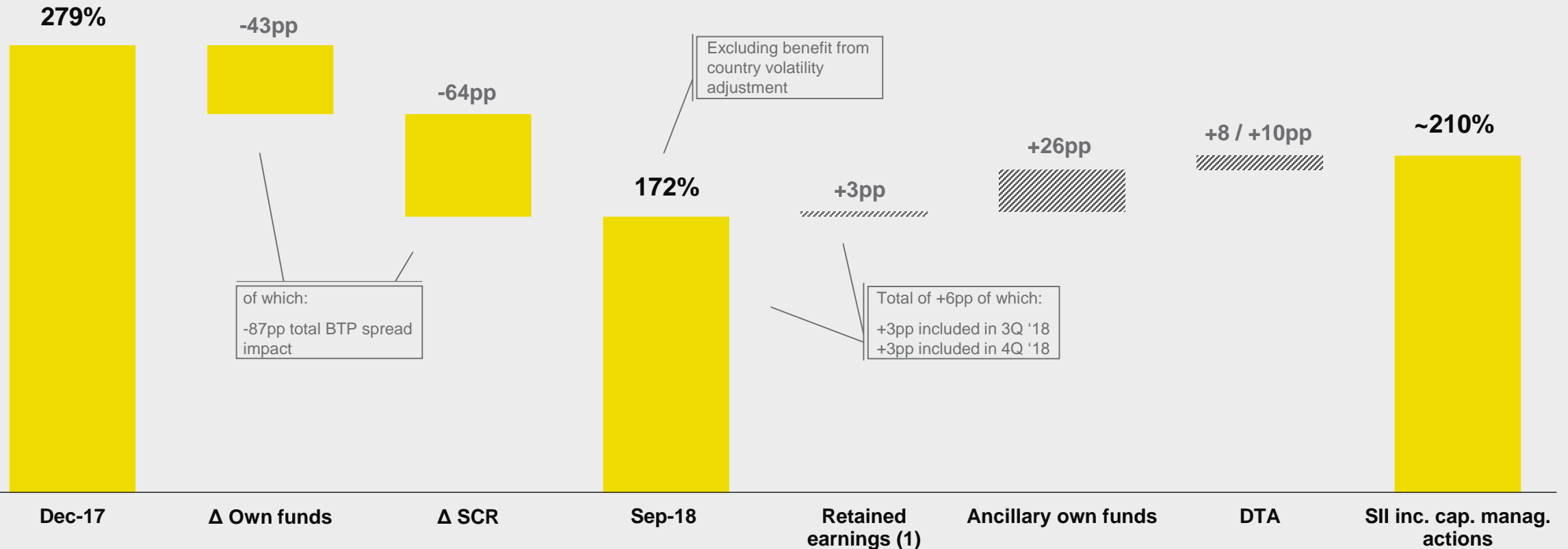
SOLVENCY II REQUIREMENTS

Proactive capital management actions supporting Solvency ratio up to a pro-forma fully loaded of ~210%

€ m unless otherwise stated

CHANGE IN SOLVENCY RATIO

Capital management measures subject to approvals before the financial results 2018



1. Retained earnings only related to lower dividends paid by Poste Vita to the parent company in 2018

FOCUS ON ANCILLARY OWN FUNDS

Countercyclical and cost effective capital strengthening measure

ANCILLARY OWN FUNDS

- **ANCILLARY OWN FUNDS:**

€1.75bn commitment by Poste Italiane S.p.A, of which €1.1bn already committed as Tier2

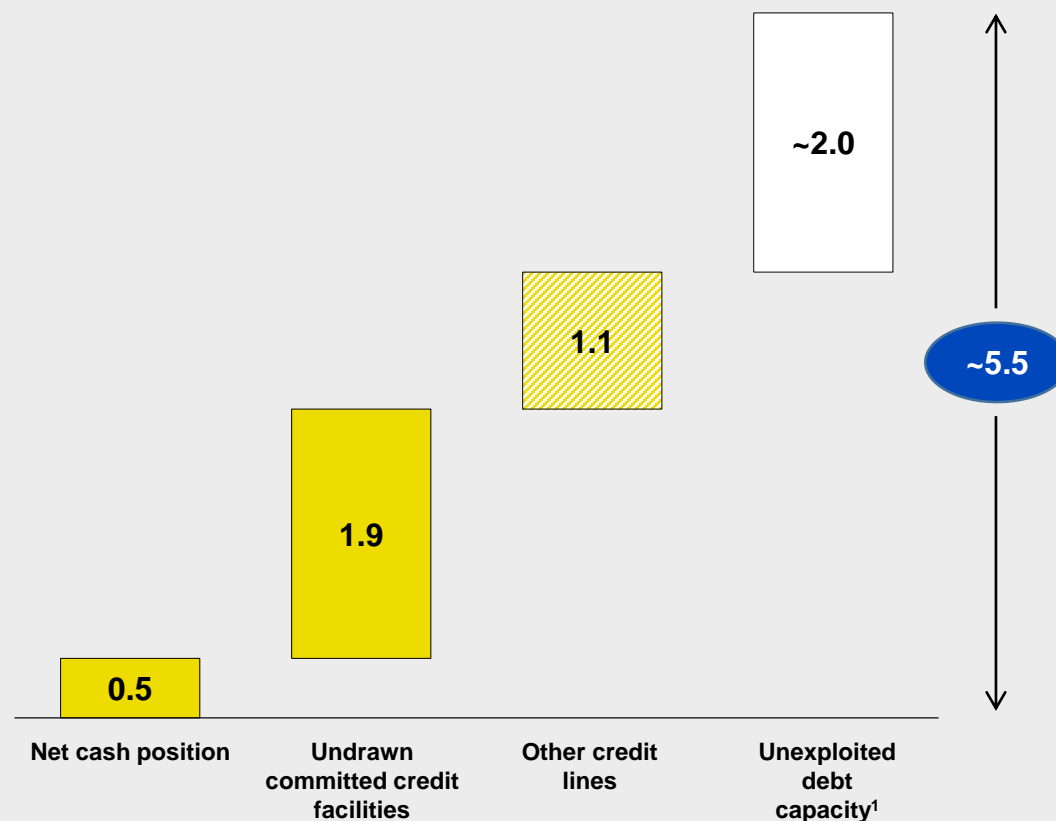
SOLVENCY UPSIDE

+26pp

- Unconditional commitment
- Fully backed by solid financial position of Poste Italiane S.p.A
- €1.1bn already accounted as Tier2
- Full accountability once Tier2 bond expires (in May-19)
- Countercyclical: increasing computability in case of higher capital requirements
- Flexible and cost effective at Group level

POTENTIAL LIQUIDITY AVAILABLE

€ bn

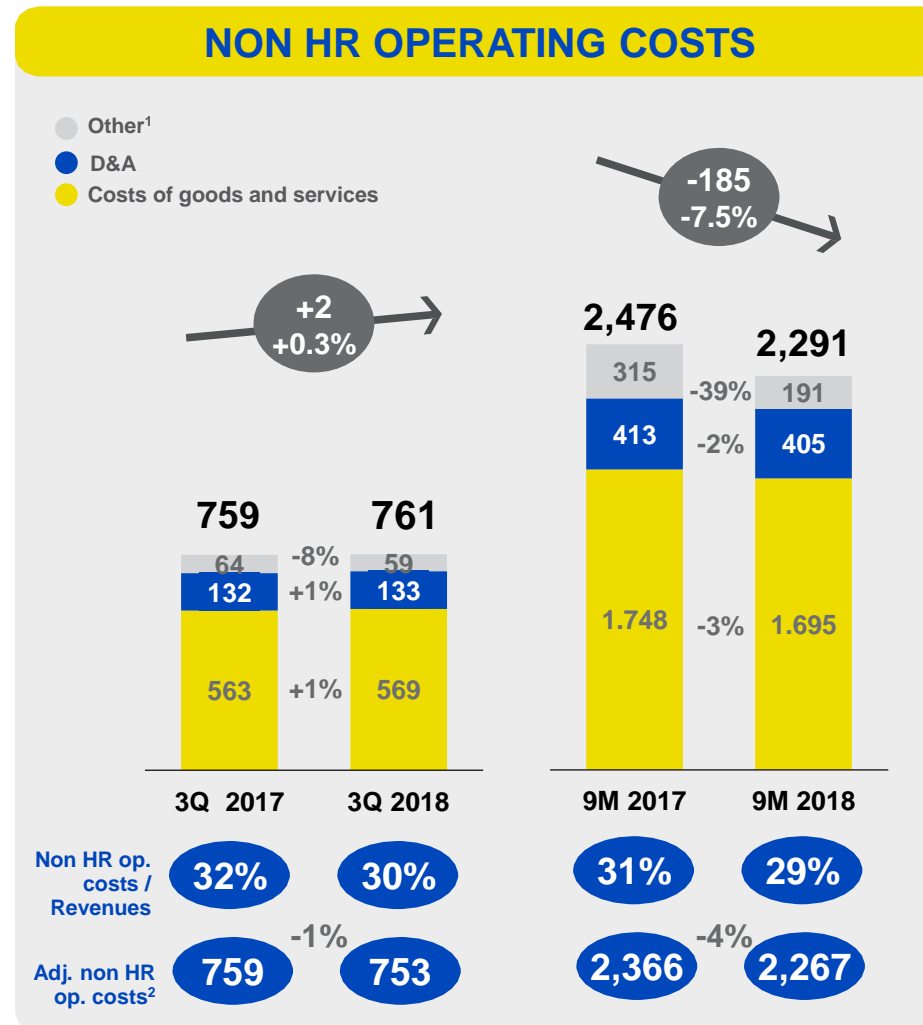
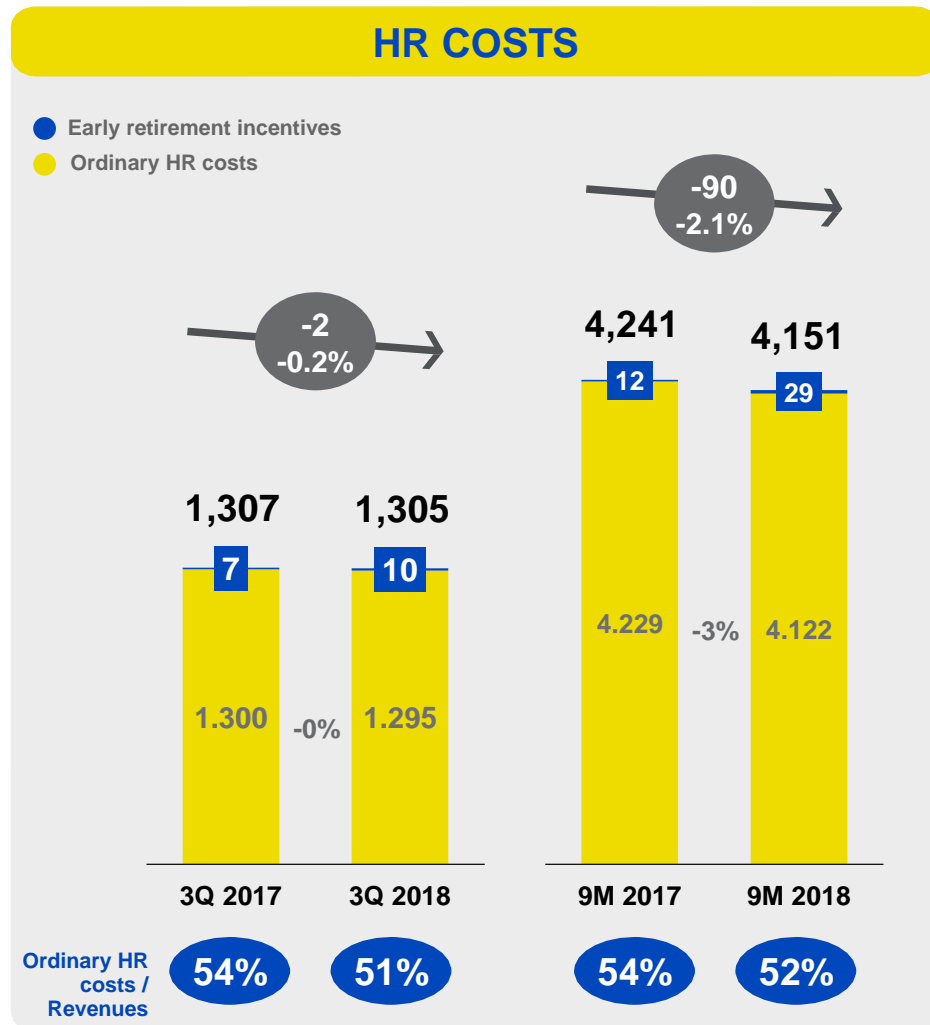


1. Theoretical additional debt increase consistent with current credit rating.

GROUP COSTS

Continued cost discipline confirming overall *Deliver 2022* trajectory

€ m unless otherwise stated



KEY HIGHLIGHTS

- Cost base is line with 2018 targets which include early retirement charges to be booked in Q4 2018
- HR costs broadly stable in 3Q 2018 with lower FTE offsetting the effect of the renewal of labour contract (-2% in 9M 2018, thanks to 3,300k lower FTE)
- Non HR operating costs flat in 3Q YoY, with COGS increasing to support business (down 7.5% in 9M 2018, in line with Plan and with a lower weight on revenues)

1. Includes other expenses from financial activities, capitalised costs and expenses, and other operating costs; 2. Excluding BdM-MCC (0.5 €/m in 3Q 2017 and 34 €/m in 9M 2017); real estate funds provisions (-4 €/m in 3Q 2017, 8 €/m in 3Q 2018, 61 €/m in 9M 2017 and 24 €/m in 9M 2018) and provision for the early repayment of financial products (4 €/m in 3Q 2017 and 16 €/m in 9M 2017).



EXECUTIVE SUMMARY

BUSINESS REVIEW

CLOSING REMARKS

Q&A

Well on track to meet all 2018 *Deliver 2022* financial and operational targets

Higher revenues across all business segments, better than expected performance in Mail

Continued cost discipline across the Group

Decreased reliance on capital gains

***Deliver 2022*: a five-year journey made up of many small steps on strategy, costs and revenues aimed at delivering shareholder value – remain focussed on execution**



EXECUTIVE SUMMARY

BUSINESS REVIEW

CLOSING REMARKS

Q&A

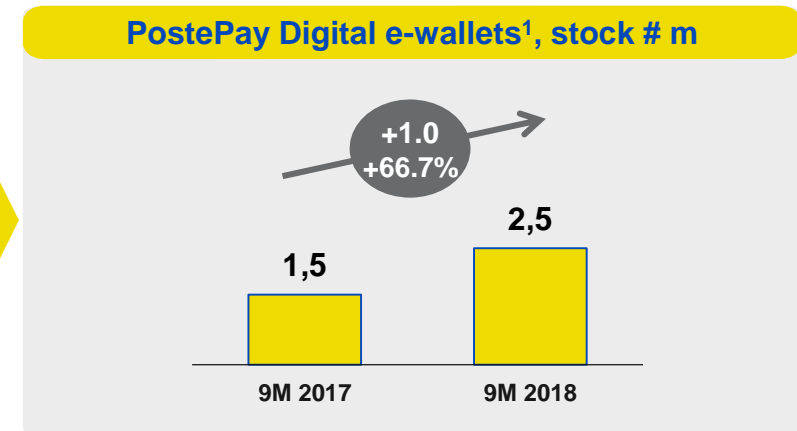
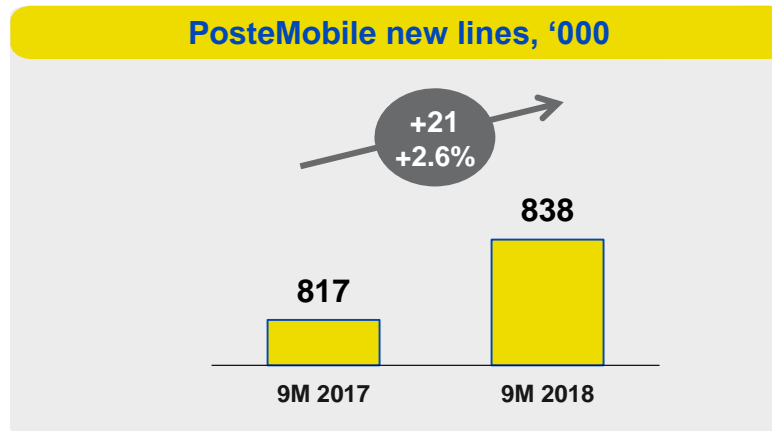
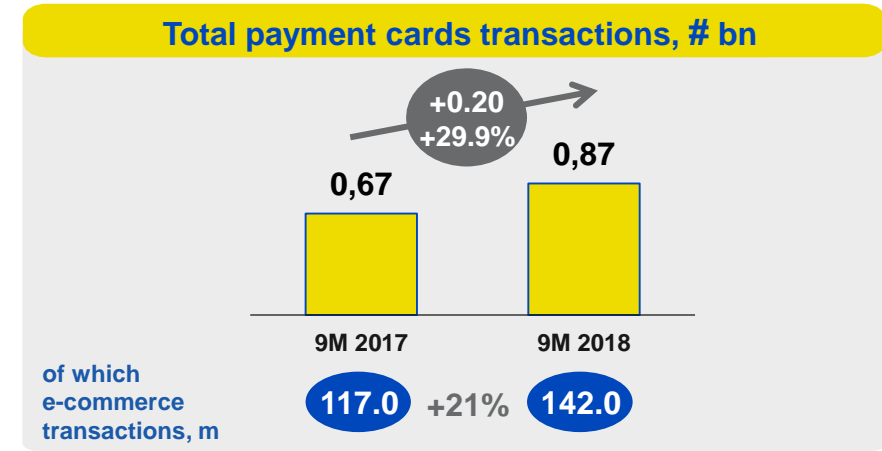
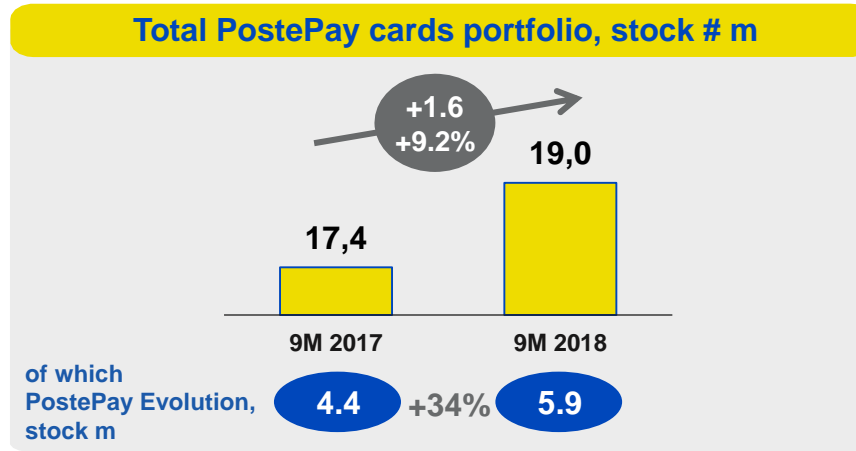


Q&A

APPENDIX

GROWTH IN PAYMENTS, MOBILE & DIGITAL

Confirmed positive trends of commercial KPIs across all business lines



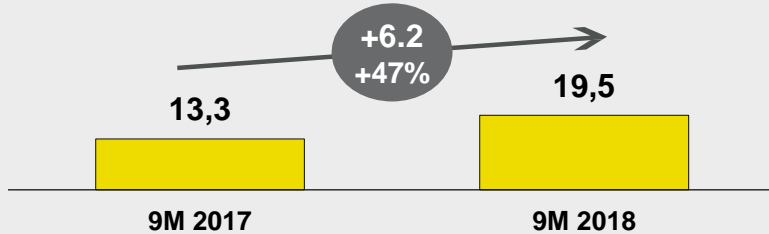
1. An innovative electronic tool associated to a single customer, which is enabled through a mobile app to authorize payment transactions.

POSTE ITALIANE DIGITAL FOOTPRINT

Robust growth in digital use

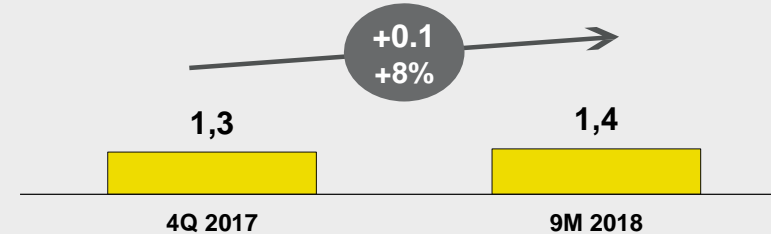
GROWTH IN CUMULATED APPS DOWNLOADS¹

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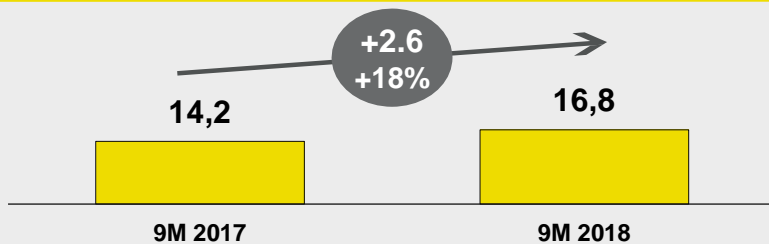
DAILY ONLINE USERS

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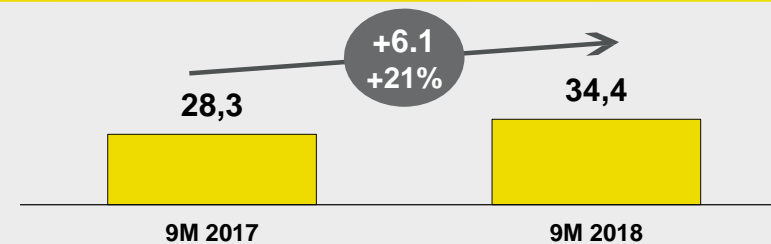
REGISTERED ONLINE USERS STOCK

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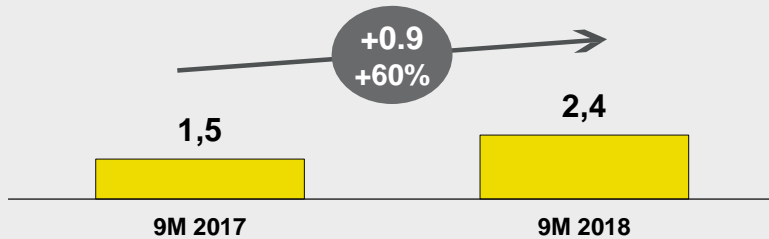
GROWTH IN CONSUMER FINANCIAL TRANSACTIONS

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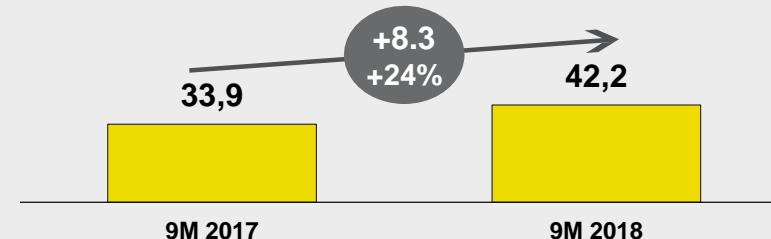
ELECTRONIC IDENTIFICATION² STOCK

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GROWTH IN TRACK&TRACE SEARCHES³

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1. Source: App stores (iOS and Android); 2. Electronic identification refers to number of ID outstanding; 3. Digital system to monitor parcels' delivery.

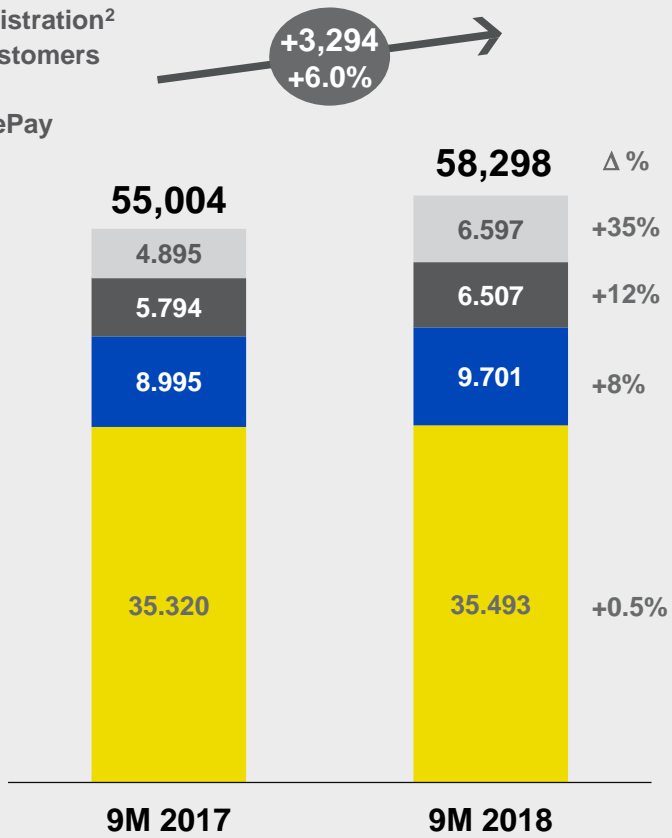
CURRENT ACCOUNTS AVERAGE VOLUMES AT A SOUND 58.3BN

Interest income up thanks to higher volumes offsetting lower yields

€ m unless otherwise stated

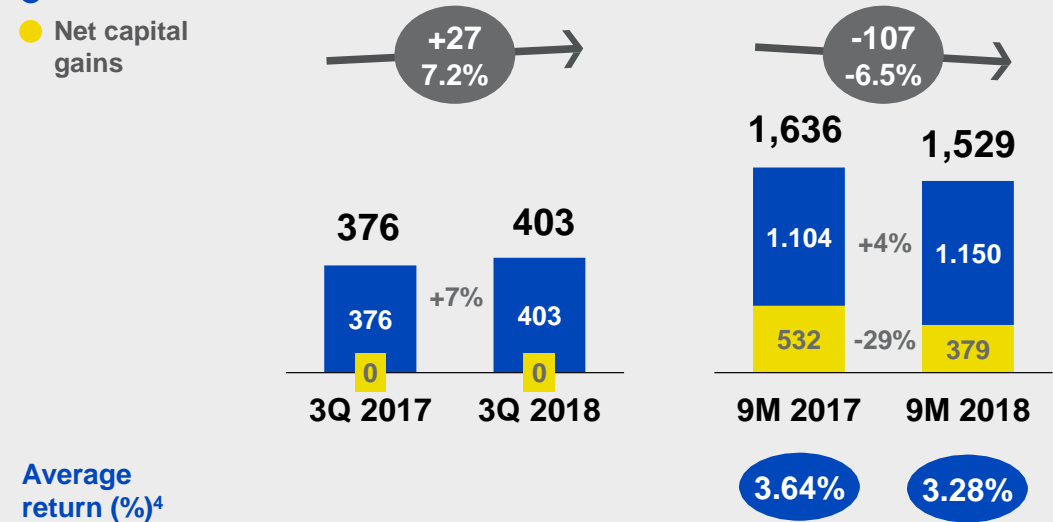
AVERAGE CURRENT ACCOUNTS DEPOSITS¹

- Repo
- Public Administration²
- Corporate customers & other³
- Retail + PostePay



REVENUES FROM PORTFOLIO MANAGEMENT

- Interest income
- Net capital gains



	9M 2017	9M 2018	Var.
Average return excl. capital gains (%)	2.68%	2.63%	-5bps
Unrealized capital gains (€/m)	1,654	-2,690	-4,344
Portfolio duration (years)	5.4	5.2	-0.2
Portfolio maturity (years) ⁵	12.3	13.1	+0.8

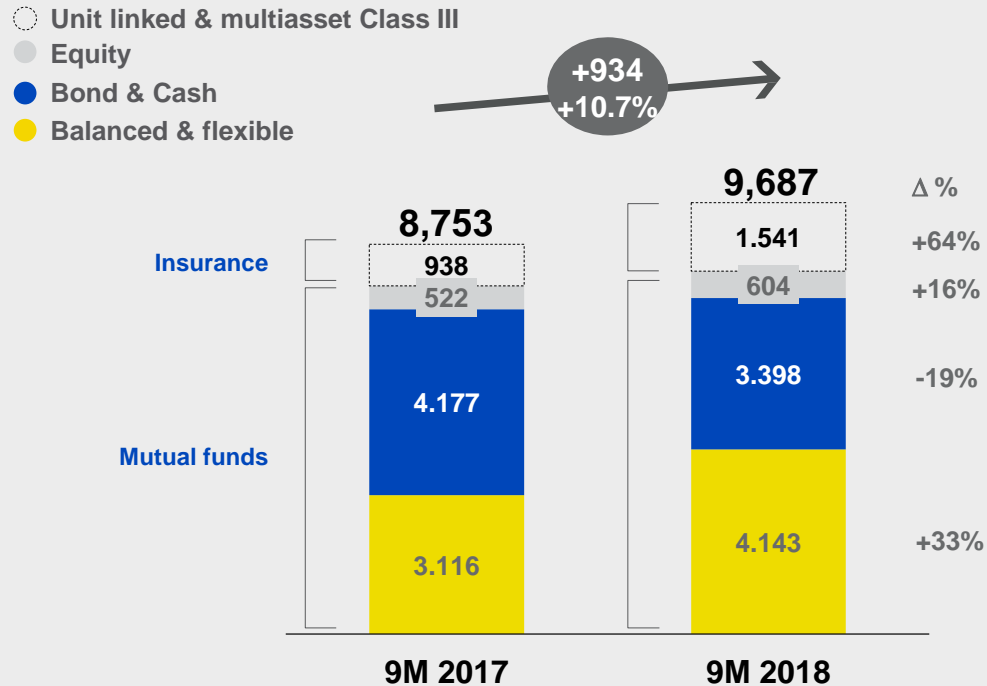
1. Includes current accounts, time deposits and repurchase agreements. Not including Poste Italiane's liquidity; 2. Entirely invested in floating rate deposits c/o MEF; 3. Includes business current accounts, PostePay business and other customers debt; 4. Average yield calculated as interest income and realized net capital gains on average total financial assets; 5. Excludes derivatives.

ASSET MANAGEMENT PROGRESSING

Class III and new products supporting assets under management and fee generation

€ m unless otherwise stated

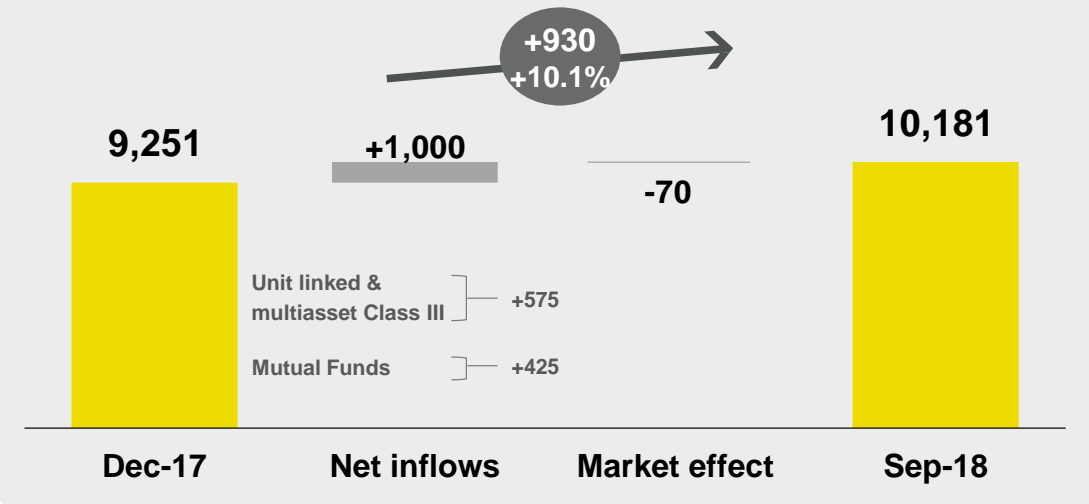
AVERAGE ASSETS UNDER MANAGEMENT



9M mutual fund fees **65** +2% **66**

o/w 3Q mutual fund fees **20** +10% **22**

EoP ASSETS UNDER MANAGEMENT EVOLUTION



KEY HIGHLIGHTS

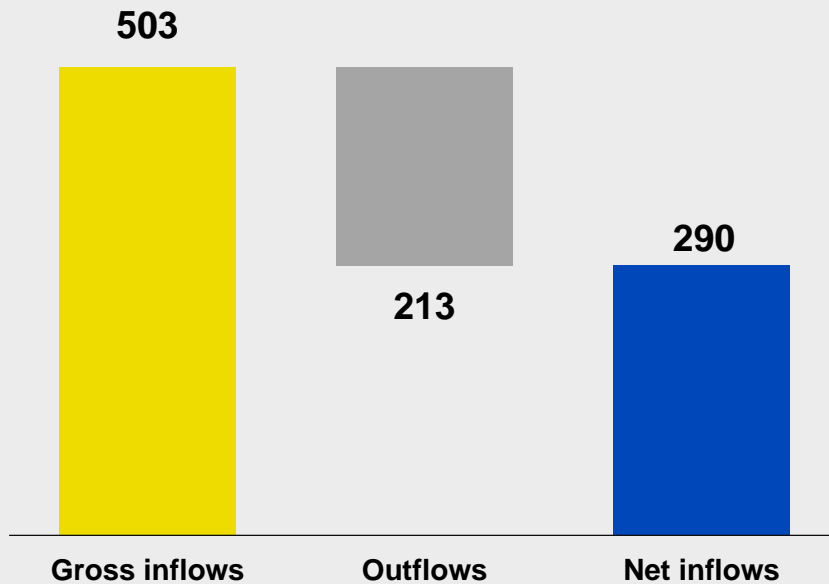
- Net inflows of mutual funds +0.4bn in 9M 2018, growing at a faster pace than the market
- Net inflows of class III and Unit linked products strongly up, in line with *Deliver 2022* guidelines
- Running management fees increasing YoY faster than the assets under management

ASSET MANAGEMENT

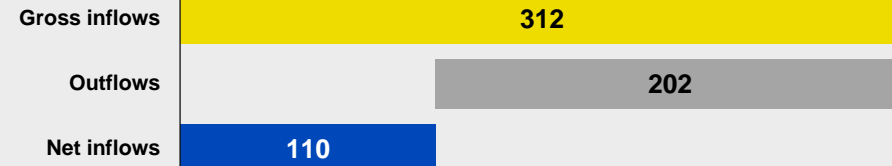
Net inflows from mutual funds, unit linked and multiasset Class III insurance products

€ m unless otherwise stated

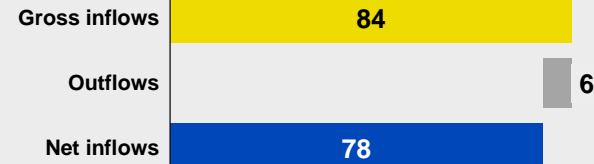
TOTAL NET INFLOWS – 3Q 2018



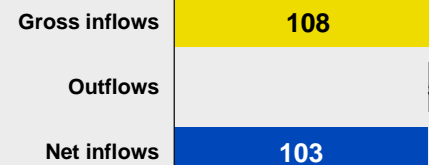
Mutual funds



Unit Linked (class III)



Multiasset Class III



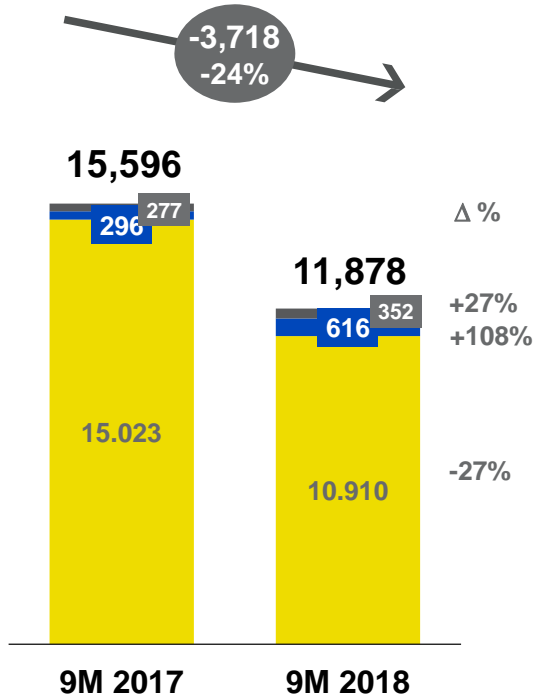
INSURANCE GROSS WRITTEN PREMIUMS MIX UPGRADING

Changing mix within life products, higher GWP from Private Pension Plan and strong P&C

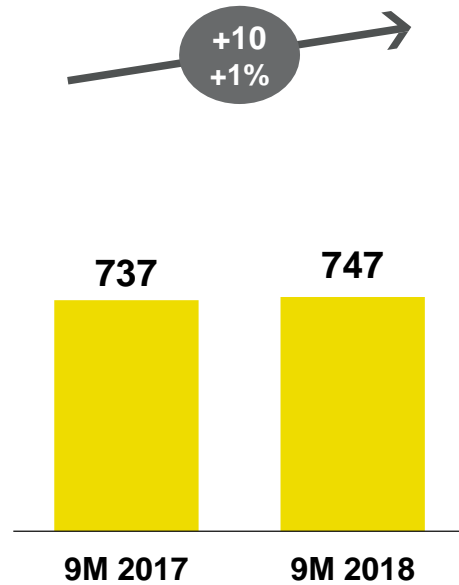
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LIFE

- Unit linked (class III)
- Multiasset
- Segregated fund products (class I-V)¹

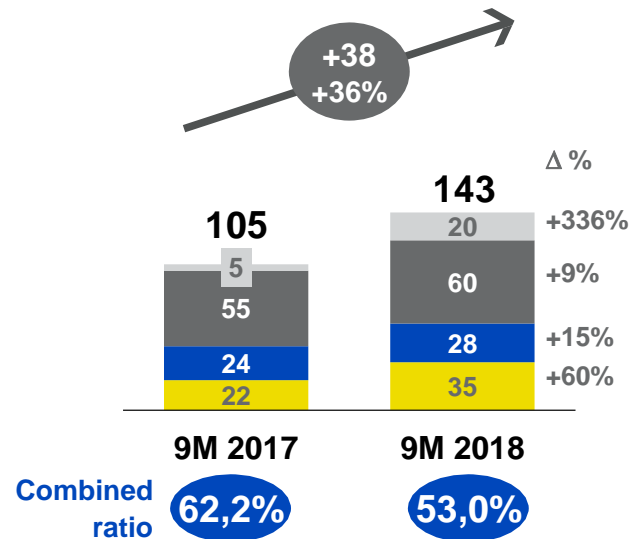


PRIVATE PENSION PLAN



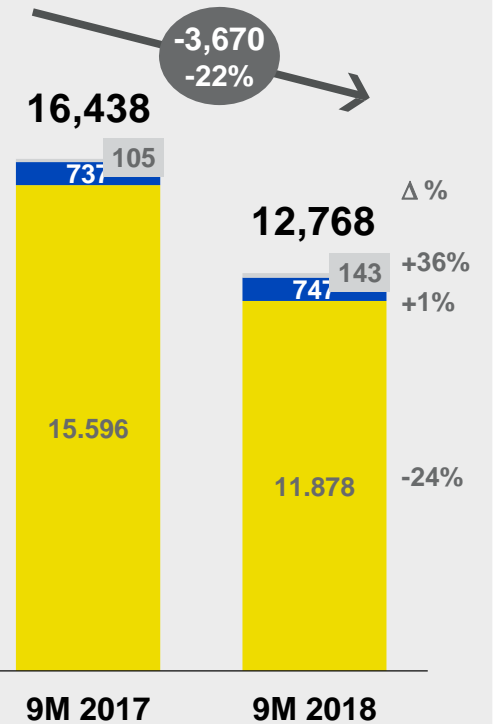
P&C

- Welfare
- Personal
- Property
- Payments



TOTAL

- P&C
- Private pension plan
- Life



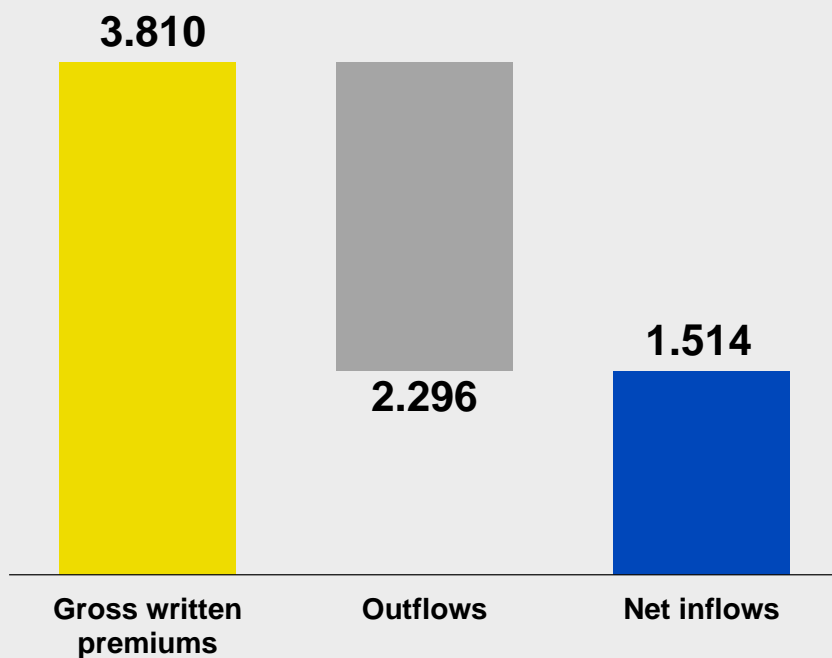
1. Includes Life Protection.

INSURANCE SERVICES

Life & private pension plan premium net inflows

€ m unless otherwise stated

TOTAL NET INFLOWS – 3Q 2018



	3Q 2017	3Q 2018	Var.
Lapse rate	2.57%	2.70%	+13bps

Private Pension Plan

Gross written premiums	237
Outflows	20
Net inflows	217

Unit/Index Linked (class III)

Gross Written Premiums	84
Outflows	751
Net Inflows	(667)

Multiassets

Gross written premiums	317
Outflows	12
Net inflows	304

Segregated Fund Products¹

Gross written premiums	3.172
Outflows	1.513
Net inflows	1.660

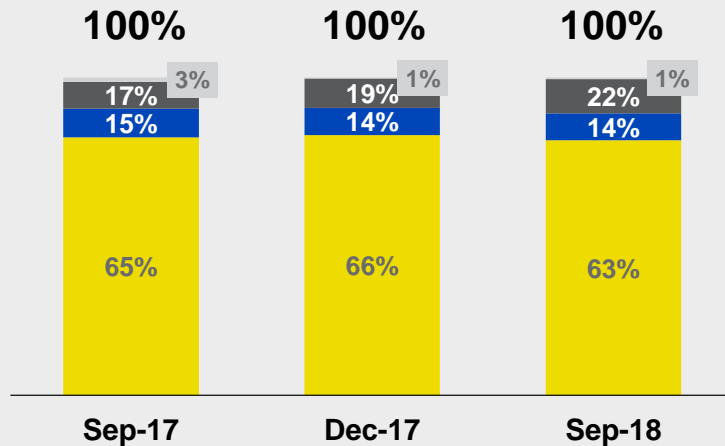
1. Includes Life Protection

INSURANCE SERVICES: BREAKDOWN OF PORTFOLIO

Details on portfolio and sensitivity

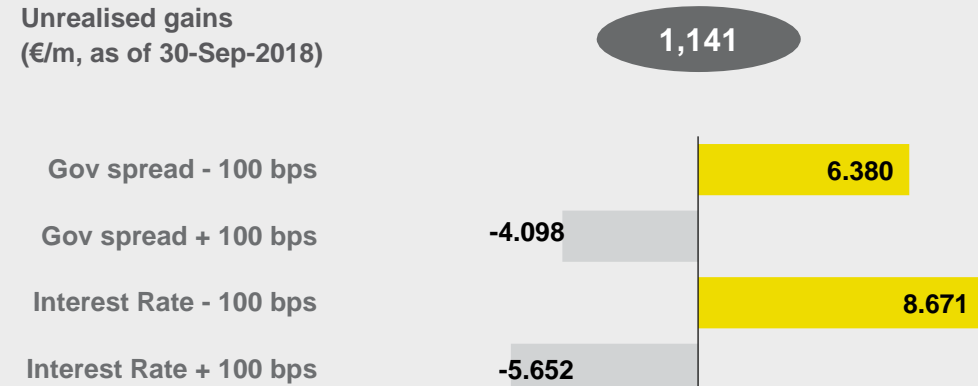
INVESTMENT PORTFOLIO BREAKDOWN

- Cash
- Multiasset funds
- Corporate bonds
- Govies

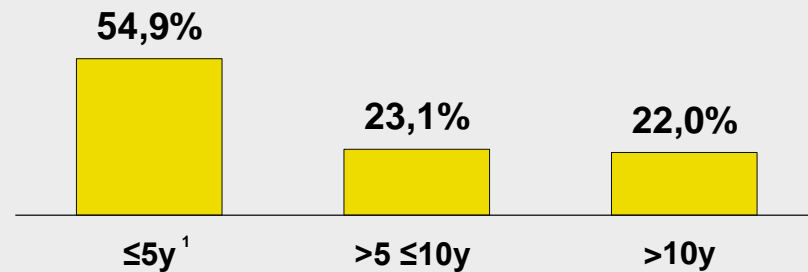


SENSITIVITY

Unrealised gains
(€/m, as of 30-Sep-2018)



INVESTMENT PORTFOLIO DURATION



	Sep-17	Dec-17	Sep-18	Var. YoY
Unrealised gains (€/m)	7,840	8,225	1,141	-6,700
Minimum guaranteed return (Class I) (%)	0.90%	0.88%	0.82%	-8bps
Class I return (%)	2.91%	3.03%	2.76%	-14bps

1. Includes also liquidity, UCITS funds and shares with ≤5yrs duration.

INSURANCE SERVICES

Transitional measures subject to regulatory approval

IDENTIFIED ACTIONS

- **TRANSITIONAL MEASURES**

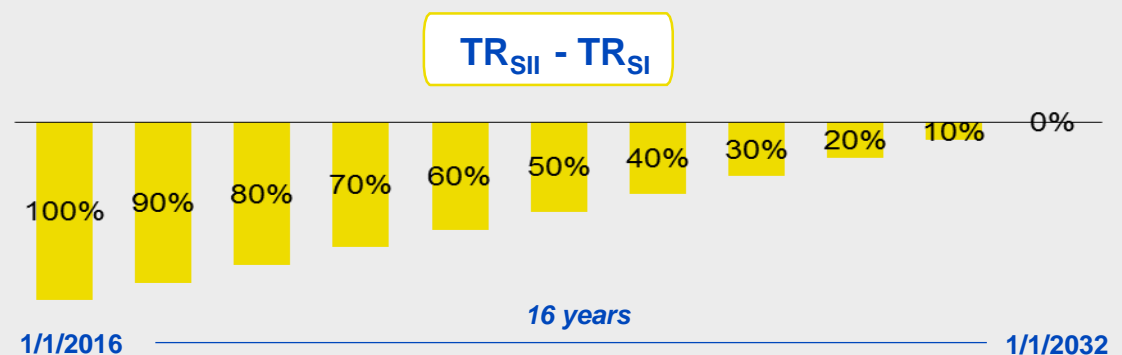
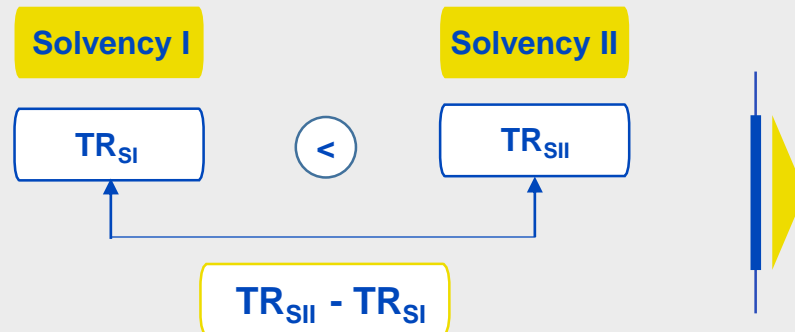
Regulatory capital measure introduced by 2014/51/EU Directive

DESCRIPTION

- Additional buffer to face extreme market conditions
- Deductions on technical reserves under approval by the regulator
- Long term benefit gradually phasing out till 2032

SCOPE AND CALCULATION

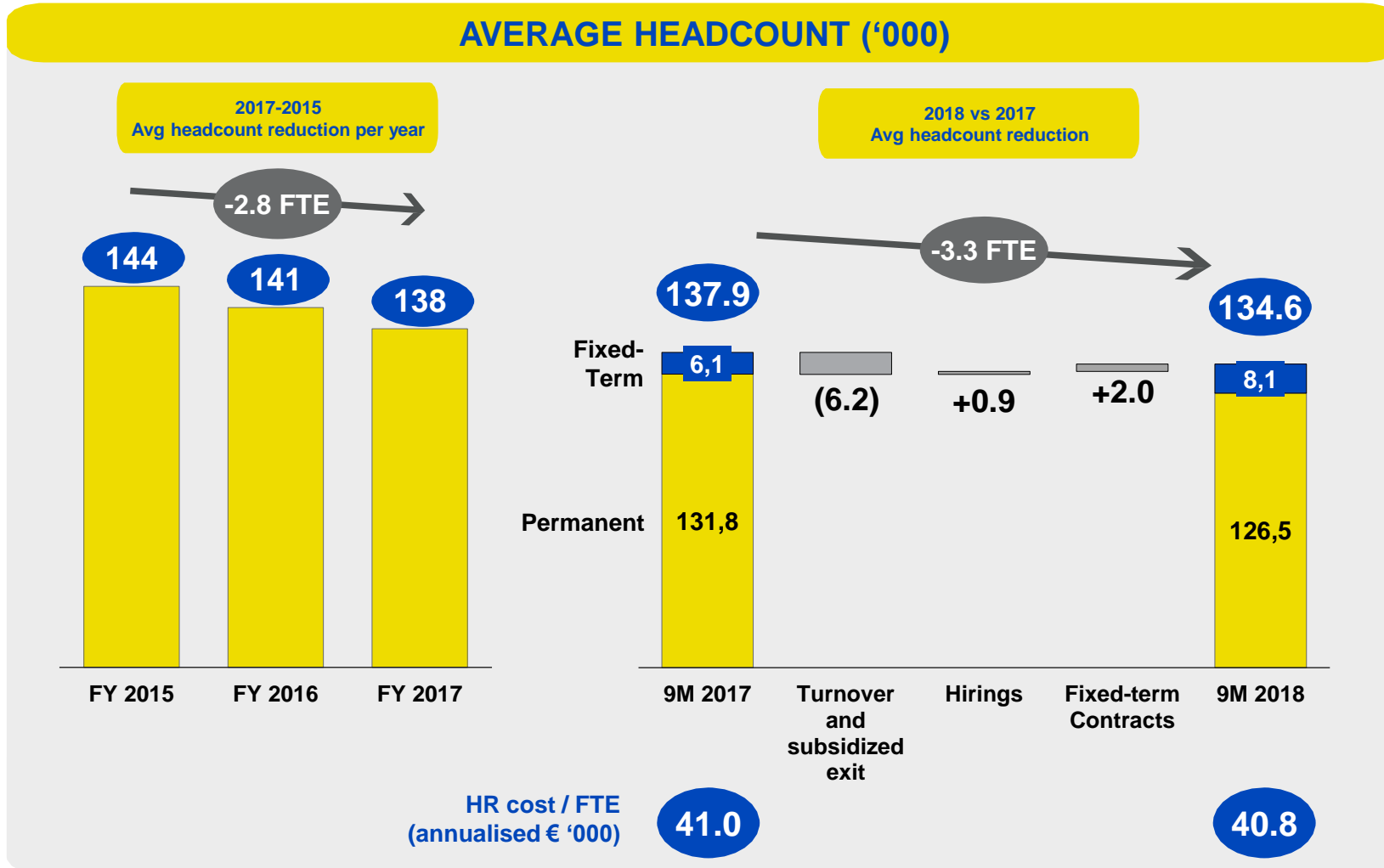
- Phase out of the positive difference in Technical Reserves ("TR") till 2032



1. TR = Technical Reserves

HR COSTS DOWN THANKS TO MAIL, PARCEL & DISTRIBUTION RE-ORGANIZATION

Confirmed track record to manage reduction of headcounts



KEY HIGHLIGHTS

- HR costs per FTE at 40.8k, in line with 2018 target
- Average FTE reduction of c.3,300 YoY, more than in the last 3 years
- Labour costs/FTE benefitting from non-recurring items, costs in line with FY 2018 target

BANCOPOSTA: AN ASSET GATHERER, WITH A LOW RISK BALANCE SHEET

Solid capital ratios including the already announced capital increase

€ m unless otherwise stated

CET 1 CAPITAL

Capital Increase executed

110

-

210

2.059

2.059

2.284

Sep-17

Dec-17

Sep-18

ASSETS

RWAs (€/bn)

12.0

12.2

11.9

68.755

67.235

70.759

Total Assets

Sep-17

Dec-17

Sep-18

CET 1 RATIO¹

17,1%

16,9%

19,1%

Sep-17

Dec-17

Sep-18

LEVERAGE RATIO

3,0%

3,1%

3,3%

Sep-17

Dec-17

Sep-18

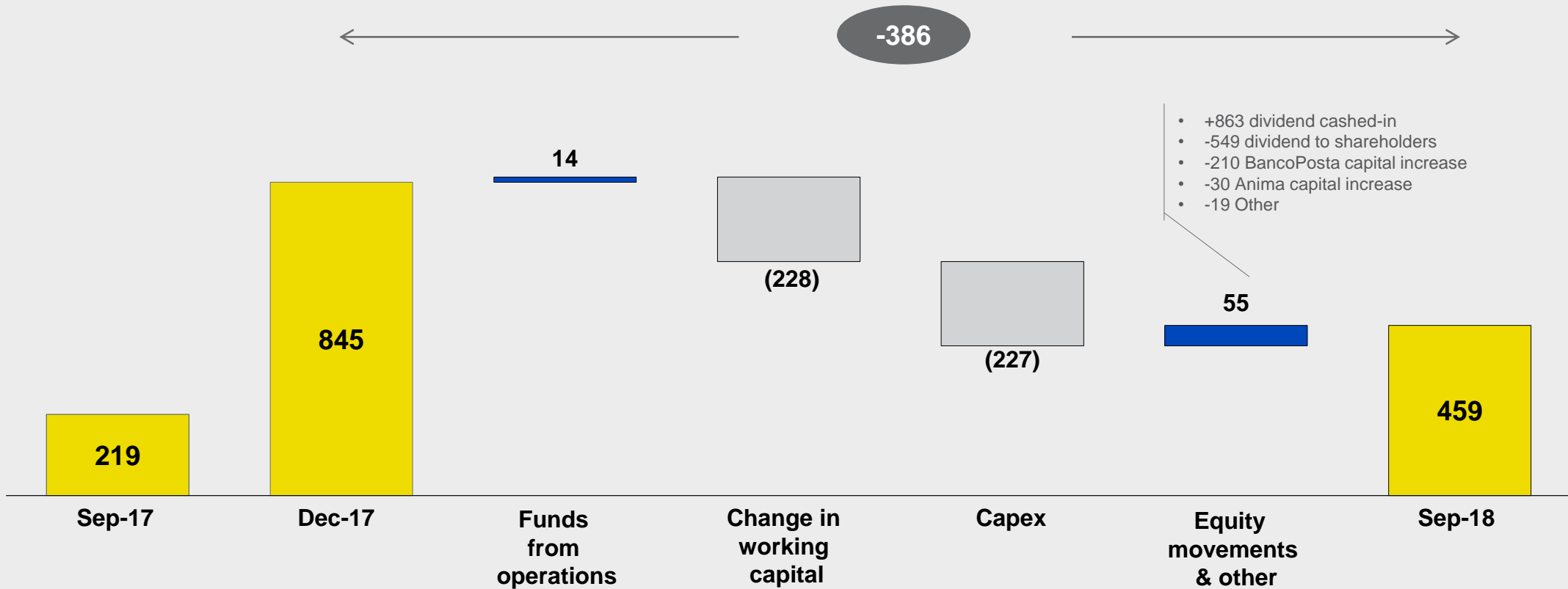
1. 10.50% Min. CET1 ratio required to distribute earnings (transitionally reduced to 9.25% in 2017 and 9.875% in 2018).

MAIL, PARCEL & DISTRIBUTION NET CASH POSITION

Solid liquidity position and further available undrawn facilities

€ m unless otherwise stated

NET CASH POSITION (+ Cash - Debt)



DETAILS ON INTERCOMPANY REVENUES AND COSTS

Segment flow description: distribution fees 3Q 2018

€ m unless otherwise stated

Group P&L	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments Mobile & Digital	TOTAL
SEGMENT REVENUES					
INTERSEGMENT REVENUES	1,071	234		78	1,384
TOTAL REVENUES					
PERSONNEL EXPENSES					
COST OF GOODS AND SERVICES					
OTHER OPERATING COSTS					
INTERSEGMENT COSTS	(16)	(1,133)	(103)	(132)	(1,384)
TOTAL OPEX					

1

Fees paid by **Financial Services Segment** in return for use of the distribution network and other Corporate Services

2

Fees paid by **Insurance Service Segment** vs Financial Services in return for use of Group's distribution network

3

Fees paid by **Payments, Mobile & Digital Segment** vs Financial Services Segment in return for use of Group's distribution network

4

Fees paid by **Financial Services Segment** vs Payments, Mobile & Digital Segment in return for product management services

5

Fees paid by **Mail Parcel & Distribution** vs Payments, Mobile & Digital Segment in return of some Corporate Services (TLC)

CONSOLIDATED ACCOUNT

PROFIT & LOSS

€m	3Q 2017	3Q 2018	Var.	Var.%	9M 2017	9M 2018	Var.	Var.%
Total revenues	2,395	2,522	127	5%	7,893	7,951	58	1%
of which:								
Mail, Parcel and Distribution	849	828	-21	-2%	2,661	2,589	-72	-3%
Payments, Mobile and Digital	144	163	19	13%	422	470	48	11%
Financial Services	1,069	1,168	99	9%	3,779	3,844	65	2%
Insurance Services	333	363	30	9%	1,031	1,048	17	2%
Total costs	2,066	2,066	0	0%	6,717	6,442	-275	-4%
of which:								
Total personnel expenses	1,307	1,305	-2	0%	4,241	4,151	-90	-2%
<i>of which personnel expenses</i>	1,300	1,295	-5	0%	4,229	4,122	-107	-3%
<i>of which early retirement incentives</i>	7	10	3	43%	12	29	17	n.m.
Other operating costs	627	628	1	0%	2,063	1,886	-177	-9%
Depreciation, amortisation and impairments	132	133	1	1%	413	405	-8	-2%
EBIT	329	456	127	39%	1,176	1,509	333	28%
EBIT Margin	14%	18%			15%	19%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	6	21	15	n.m.	-69	43	112	n.m.
Profit before tax	335	477	142	42%	1,107	1,552	445	40%
Income tax expense	121	156	35	29%	383	496	113	30%
Profit for the period	214	321	107	50%	724	1,056	332	46%

MAIL, PARCEL & DISTRIBUTION

PROFIT & LOSS

€m	3Q 2017	3Q 2018	Var.	Var.%	9M 2017	9M 2018	Var.	Var.%
Segment revenue	849	828	-21	-2%	2661	2589	-72	-3%
Intersegment revenue	993	1,071	78	8%	3,446	3,526	80	2%
Total revenues	1,842	1,899	57	3%	6,107	6,115	8	0%
Personnel expenses	1,271	1,269	-2	0%	4,109	4,029	-80	-2%
<i>of which personnel expenses</i>	<i>1,265</i>	<i>1,261</i>	<i>-4</i>	<i>0%</i>	<i>4,102</i>	<i>4,010</i>	<i>-92</i>	<i>-2%</i>
<i>of which early retirement incentives</i>	<i>6</i>	<i>8</i>	<i>2</i>	<i>33%</i>	<i>7</i>	<i>19</i>	<i>12</i>	<i>n.m.</i>
Other operating costs	514	497	-17	-3%	1,572	1,482	-90	-6%
Intersegment costs	15	16	1	7%	48	51	3	6%
Total costs	1,800	1,782	-18	-1%	5,729	5,562	-167	-3%
EBITDA	42	117	75	179%	378	553	175	46%
Depreciation, amortisation and impairments	123	124	1	1%	382	376	-6	-2%
EBIT	-81	-7	74	91%	-4	177	181	n.m.
EBIT MARGIN	-4.4%	-0.4%			-0.1%	2.9%		
Finance income/(costs)	-12	-3	9	75%	-110	-17	93	85%
Profit/(Loss) before tax	-93	-10	83	89%	-114	160	274	n.m.
Income tax expense	-18	10	28	n.m.	-13	66	79	n.m.
Profit for the period	-75	-20	55	73%	-101	94	195	n.m.

PAYMENTS, MOBILE & DIGITAL

PROFIT & LOSS

€m	3Q 2017	3Q 2018	Var.	Var.%	9M 2017	9M 2018	Var.	Var.%
Segment revenue	144	163	19	13%	422	470	48	11%
Intersegment revenue	79	78	-1	-1%	247	243	-4	-2%
Total revenues	223	241	18	8%	669	713	44	7%
Personnel expenses	7	7	0	0%	22	23	1	5%
<i>of which personnel expenses</i>	7	7	0	0%	22	23	1	5%
<i>of which early retirement incentives</i>	0	0	0	0%	0	0	0	0%
Other operating costs	39	43	4	10%	124	128	4	3%
Intersegment costs	124	132	8	6%	364	390	26	7%
Total costs	170	182	12	7%	510	541	31	6%
EBITDA	53	59	6	11%	159	172	13	8%
Depreciation, amortisation and impairments	5	5	0	0%	17	17	0	0%
EBIT	48	54	6	13%	142	155	13	9%
EBIT MARGIN	22%	22%			21%	22%		
Finance income/(costs)	3	2	-1	-33%	6	2	-4	-67%
Profit/(Loss) before tax	51	56	5	10%	148	157	9	6%
Income tax expense	14	16	2	14%	41	40	-1	-2%
Profit for the period	37	40	3	8%	107	117	10	9%

FINANCIAL SERVICES

PROFIT & LOSS

€m	3Q 2017	3Q 2018	Var.	Var.%	9M 2017	9M 2018	Var.	Var.%
Segment revenue	1,069	1,168	99	9%	3,779	3,844	65	2%
Intersegment revenue	253	234	-19	-8%	770	749	-21	-3%
Total revenues	1,322	1,402	80	6%	4,549	4,593	44	1%
Personnel expenses	21	21	0	0%	84	71	-13	-15%
<i>of which personnel expenses</i>	20	19	-1	-5%	79	62	-17	-22%
<i>of which early retirement incentives</i>	1	2	1	100%	5	9	4	80%
Other operating costs	55	70	15	27%	304	217	-87	-29%
Depreciation, amortisation and impairments	0	0	0	0%	1	0	-1	-100%
Intersegment costs	1,058	1,133	75	7%	3,647	3,719	72	2%
Total costs	1,134	1,224	90	8%	4,036	4,007	-29	-1%
EBIT	188	178	-10	-5%	513	586	73	14%
EBIT MARGIN	14%	13%			11%	13%		
Finance income/(costs)	1	1	0	0%	5	8	3	60%
Profit/(Loss) before tax	189	179	-10	-5%	518	594	76	15%
Income tax expense	51	44	-7	-14%	147	166	19	13%
Profit for the period	138	135	-3	-2%	371	428	57	15%





INSURANCE SERVICES

PROFIT & LOSS

€m	3Q 2017	3Q 2018	Var.	Var.%	9M 2017	9M 2018	Var.	Var.%
Segment revenue	333	363	30	9%	1,031	1,048	17	2%
Intersegment revenue	0	0	0	<i>n.m.</i>	1	1	0	0%
Total revenues	333	363	30	9%	1,032	1,049	17	2%
Personnel expenses	8	8	0	0%	26	28	2	8%
<i>of which personnel expenses</i>	8	8	0	0%	26	27	1	4%
<i>of which early retirement incentives</i>	0	0	0	0%	0	1	1	0%
Other operating costs	19	18	-1	-5%	63	59	-4	-6%
Depreciation, amortisation and impairments	4	4	0	0%	13	12	-1	-8%
Intersegment costs	128	103	-25	-20%	405	359	-46	-11%
Total costs	159	133	-26	-16%	507	458	-49	-10%
EBIT	174	230	56	32%	525	591	66	13%
EBIT MARGIN	52%	63%			51%	56%		
Finance income/(costs)	14	21	7	50%	30	50	20	67%
Profit/(Loss) before tax	188	251	63	34%	555	641	86	15%
Income tax expense	74	86	12	16%	208	224	16	8%
Profit for the period	114	165	51	45%	347	417	70	20%

GROUP PERFORMANCE

MAIN KPI'S

OPERATIONAL KPI's		3Q 2017	3Q 2018	Δ% YoY	9M 2017	9M 2018	Δ% YoY
 MAIL PARCELS & DISTRIBUTION	Mail Volumes (#m)	697	652	-6.5%	2,324	2,224	-4.3%
	Parcels delivered by mailmen(#m)	8.9	10.9	22.5%	22.0	30.2	37.3%
	Parcel Volumes (#m)	26.1	30.6	17.2%	81.1	88.6	9.2%
	B2C Revenues (€m)	56.6	73.7	30.2%	162.2	202.7	25.0%
 PAYMENTS, MOBILE & DIGITAL	PostePay cards (#m)	17.4	19.0	9.2%	17.4	19.0	9.2%
	<i>of which PostePay Evolution cards (#m)</i>	4.4	5.9	34.1%	4.4	5.9	34.1%
	Total payment cards transactions (#bn)	0.237	0.320	35.0%	0.673	0.874	29.9%
	<i>of which eCommerce transactions (#m)</i>	39.1	48.8	24.8%	117.0	142.0	21.4%
	PosteMobile new products (#m)	0.248	0.241	-2.8%	0.817	0.838	2.6%
Digital e-Wallets (#m)	1.5	2.5	66.7%	1.5	2.5	66.7%	
 FINANCIAL SERVICES	Total Financial Assets - TFAs (€/bn)	505	513	1.6%	505	513	1.6%
	Product Sales (#m)	2.1	2.1	n.m.	6.0	6.3	5.0%
	Unrealized gains (€m)	1,654	-2,690	n.m.	1,654	-2,690	n.m.
 INSURANCE SERVICES	Gross Written Premiums (€m)	5,307	3,856	-27.3%	16,438	12,768	-22.3%
	GWP – Life (€m)	5,025	3,573	-28.9%	15,596	11,878	-23.8%
	GWP – Private Pension Plan (€m)	249	237	-4.9%	737	747	1.4%
	GWP – P&C (€m)	32	46	43.6%	105	143	36.2%

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