

POSTE ITALIANE

2Q & 1H 2019 FINANCIAL RESULTS

Rome, July 31, 2019



EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX

EXECUTIVE SUMMARY

OPERATING PROFIT UP 2.6% TO 1.1BN IN 1H19, LEADING TO A NET PROFIT OF 0.8BN

CONTINUED REVENUE GROWTH, POSITIVE CONTRIBUTION FROM ALL SEGMENTS IN 2Q19 DRIVEN BY COMMERCIAL FOCUS

ROBUST PARCEL REVENUE GROWTH – SUPPORTED BY INDUSTRIAL TRANSFORMATION, OFFSETTING MAIL DECLINE

STRONG COMMERCIAL PERFORMANCE IN INSURANCE – SOLVENCY II RATIO IN LINE WITH MANAGERIAL AMBITION

ONGOING COST DISCIPLINE ALONG WITH CAPEX DEPLOYMENT TO SUPPORT DELIVER 2022

ALL 2019 GUIDANCE CONFIRMED, INTRODUCING INTERIM DIVIDEND

2Q & 1H 2019 RESULTS OVERVIEW

CONTINUED REVENUE GROWTH DELIVERING IMPROVED EBIT AND NET PROFIT, IN LINE WITH 2019 TARGETS

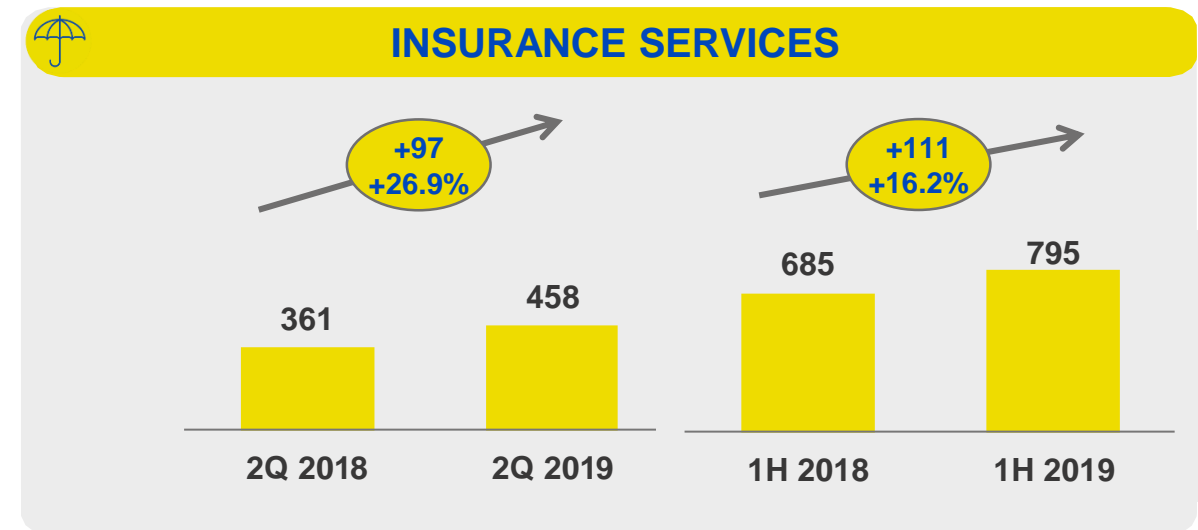
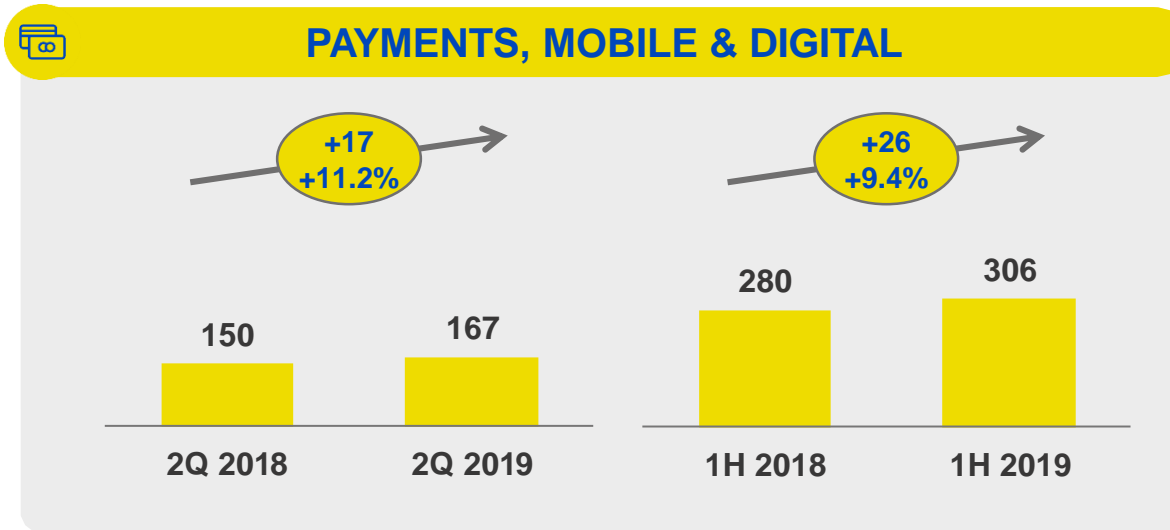
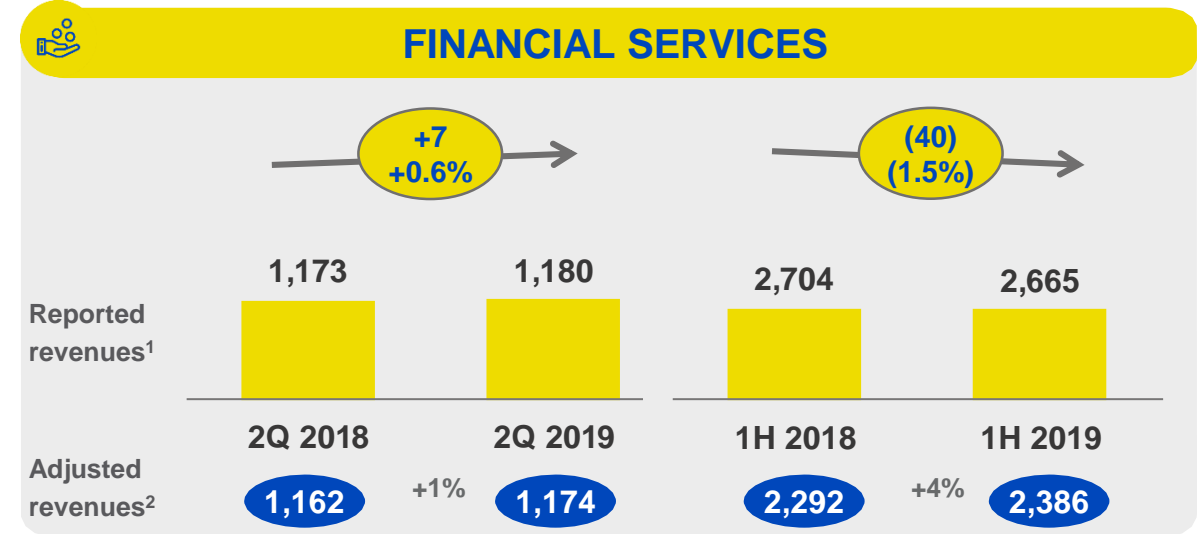
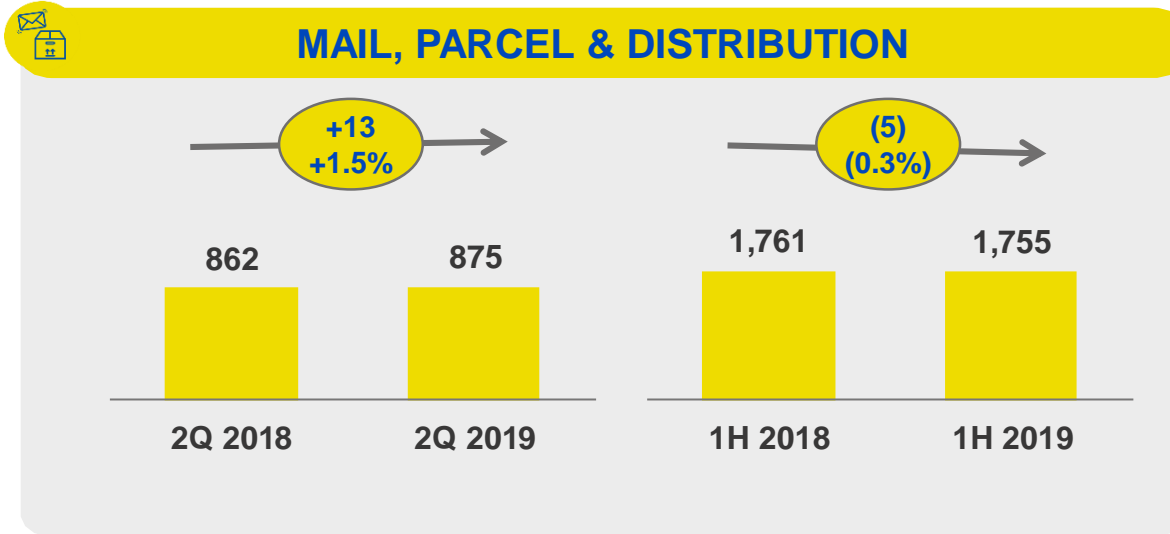
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	2Q 2018	2Q 2019	Var.	Var. (%)	1H 2018	1H 2019	Var.	Var. (%)
REPORTED REVENUES	2,546	2,679	+134	+5.3%	5,430	5,521	+92	+1.7%
ADJUSTED REVENUES¹	2,535	2,674	+139	+5.5%	5,017	5,242	+225	+4.5%
REPORTED EBIT	350	464	+114	+32.5%	1,053	1,081	+28	+2.6%
ADJUSTED EBIT¹	370	474	+104	+28.0%	701	825	+123	+17.6%
REPORTED NET PROFIT	250	324	+75	+29.9%	735	763	+28	+3.9%
ADJUSTED NET PROFIT¹	262	339	+77	+29.4%	482	570	+88	+18.3%

SEGMENT REVENUES – 2Q & 1H19

POSITIVE CONTRIBUTION TO REVENUE GROWTH FROM ALL SEGMENTS IN THE QUARTER

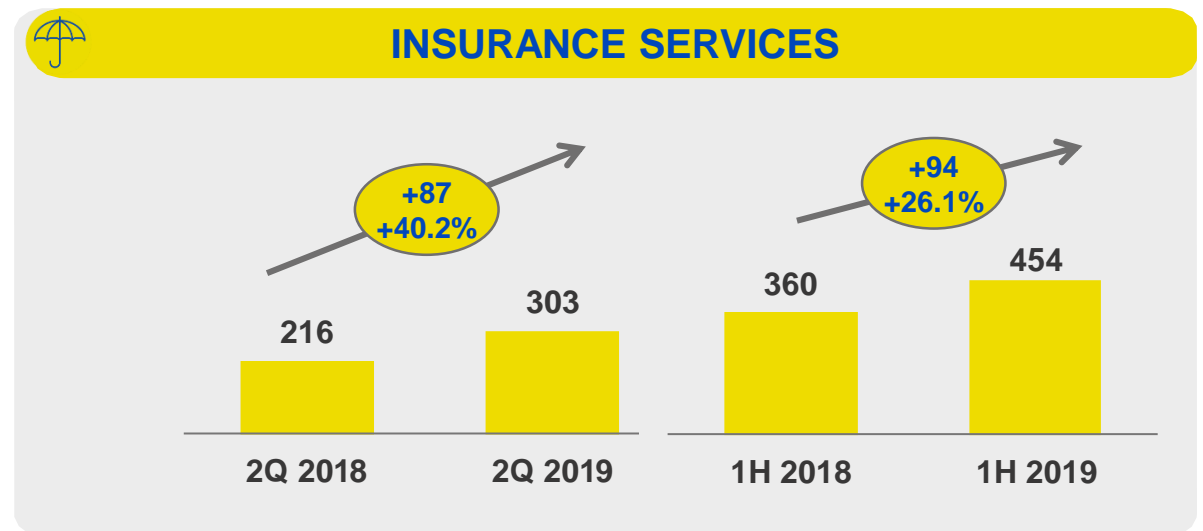
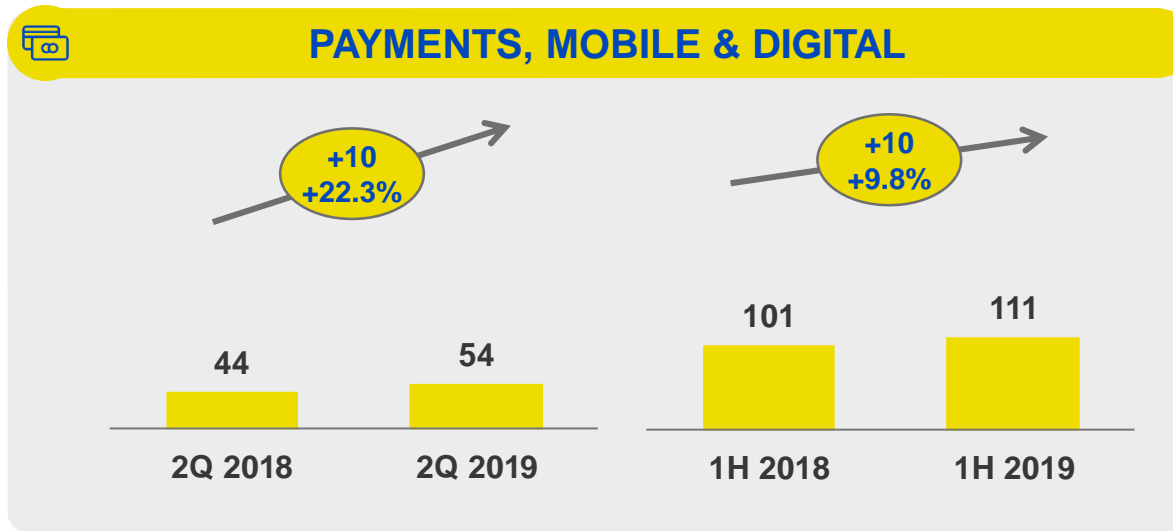
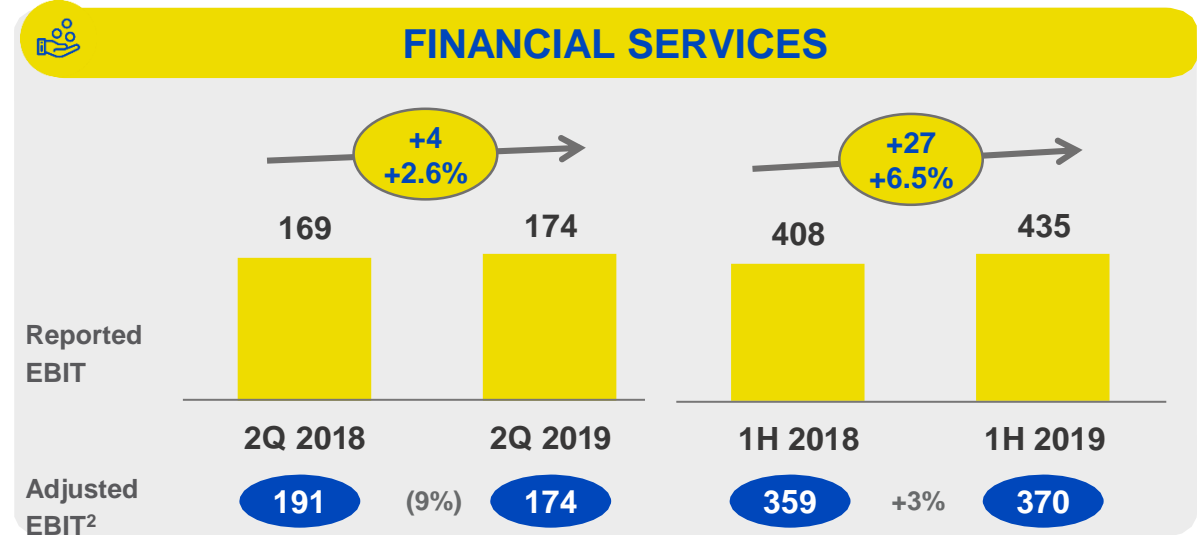
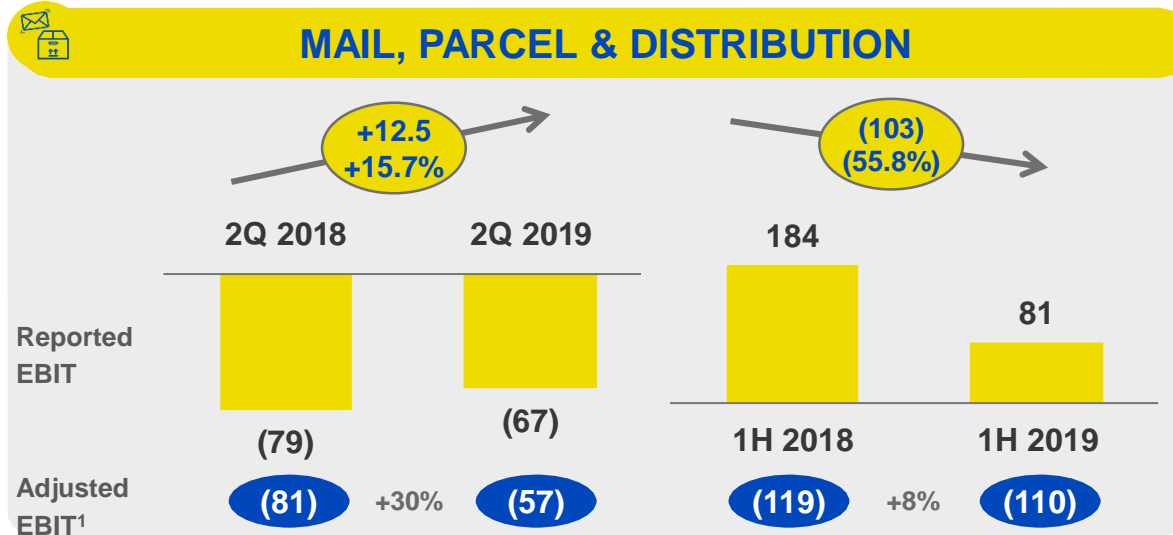
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SEGMENT EBIT – 2Q & 1H19

EBIT PROGRESSION ACROSS ALL SEGMENTS IN 1H19, DEMONSTRATING BUSINESS DIVERSIFICATION

€ m unless otherwise stated



1. 2Q18 Mail, Parcel and Distribution EBIT adjusted for 1m related to capital gains commissioning (307m in 1H18), 7m for capital gain on Visa share disposal commissioning (7m in 1H18), 7m for early retirement incentives (11m in 1H18). 2Q19 Mail, Parcel and Distribution EBIT adjusted for -4m related to capital gain commissioning (199m in 1H19), 6m for early retirement incentives (8m in 1H19)

2. Refer to slide 25 for further details on adjustments

MAIL, PARCEL & DISTRIBUTION OPERATIONAL ACHIEVEMENTS

COMMERCIAL INITIATIVES AND CAPEX PLAN SUPPORTING DELIVER 2022 TRANSFORMATION



AUTOMATIC SORTING

- **New parcel sorting center in Bologna** – state-of-the-art 250k parcels/day sorting facility, 50% of total Poste Italiane's daily capacity
- **Automation program: 4 new mail and 1 parcel sorting machines to be implemented by end-2019** – new sorting machine up and running in Turin



LOGISTICS

- **New air cargo connection** in place between air hub in Brescia and Palermo, improving next day parcel delivery in western Sicily
- **Digital Full Truck Load (FTL)**: set-up of the JV with *sennder*¹ on track to ensure full capacity in our long-haul network

STRONG CAPEX PLAN TO SUPPORT TRANSFORMATION:

+68% VS. 1H18
€ 184M IN 1H19
c.80% OF GROUP CAPEX



CUSTOMER EXPERIENCE

- **Strengthening Amazon partnership**, including same day delivery options in main Italian cities and improving Saturday delivery to the islands²
- **Exclusive agreement with Zalando**, to manage returns for all customers in Italy to over 12,000 post offices and c.3,500 alternative delivery points
- **Working on partnerships and pilot schemes to provide customers with time-definite deliveries**



DELIVERY

- **Joint Delivery Model deployed across more than 80%** of targeted delivery centers
- **Around 3,500 Alternative Delivery Points** (c. +3,100 vs Dec. 2018) reaching 2019 full year target and leveraging FIT agreement
- **City logistic**: more efficient eco-friendly deliveries in the city centers; pilot in Genoa



EXECUTIVE SUMMARY

BUSINESS REVIEW

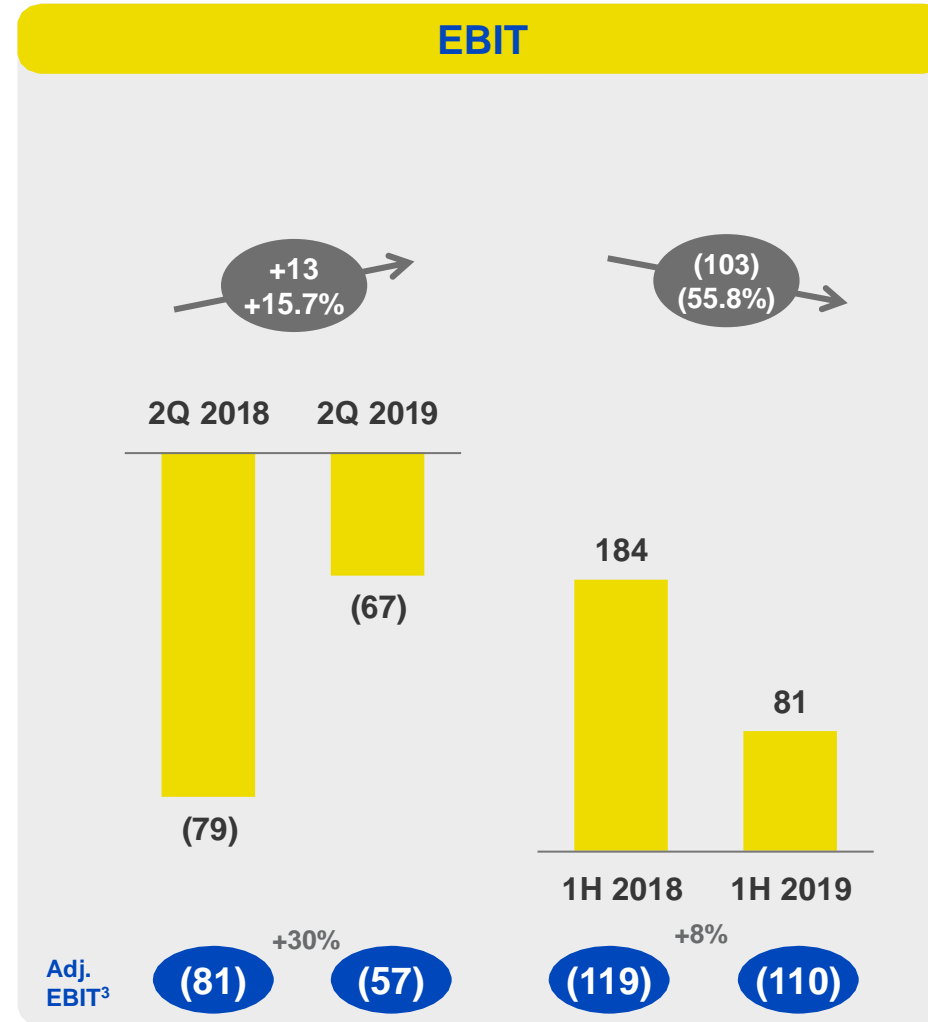
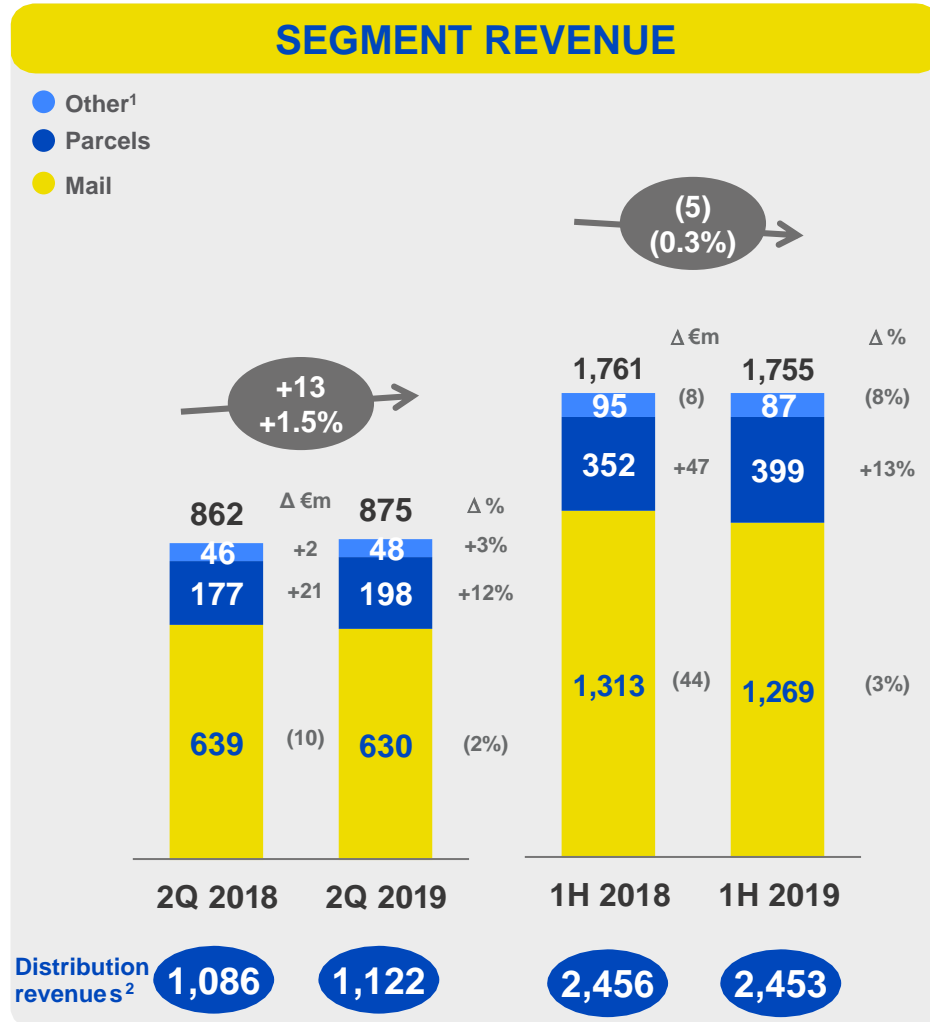
APPENDIX

MAIL, PARCEL & DISTRIBUTION

PARCEL GROWTH OFFSETTING MAIL DECLINE BOTH IN THE QUARTER AND HALF



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KEY HIGHLIGHTS

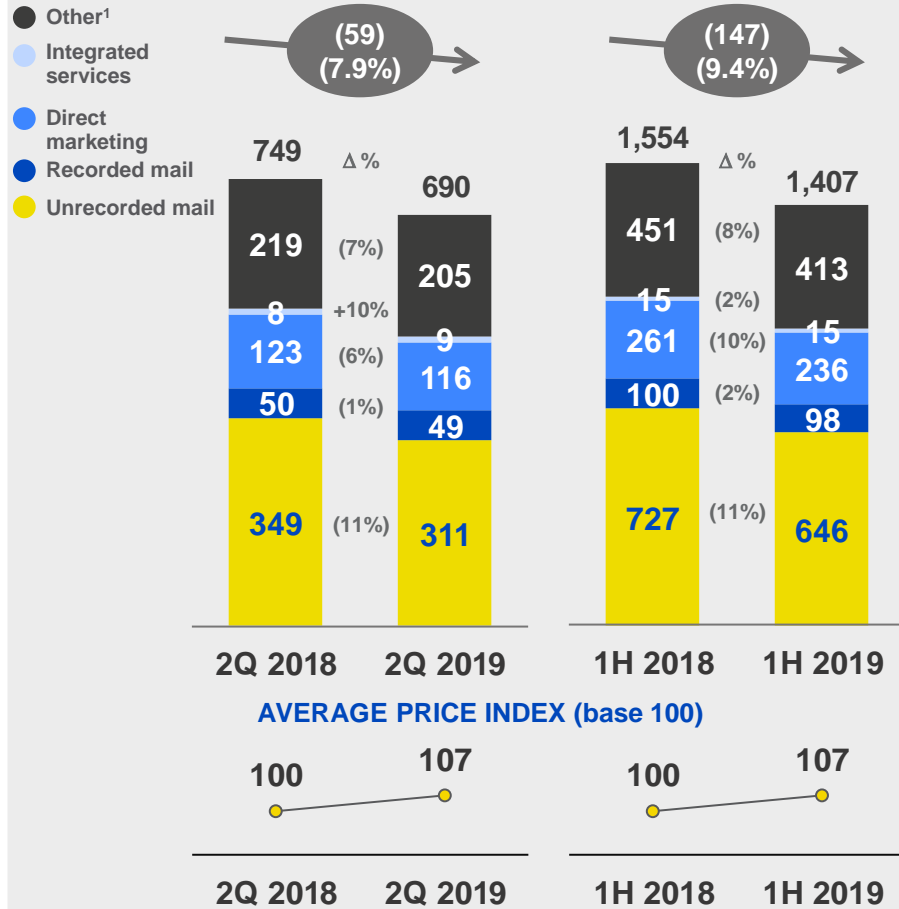
- 1H19 EBIT progression in line with 2019 target
- Mail revenues down 3% in 1H19, in line with 2019 target
- Continued double digit growth in parcel revenues, outpacing the market
- Other revenues improve with Mistral Air now 100% cargo to support Parcel growth – EBIT positive in each quarter of 2019

MAIL, PARCEL & DISTRIBUTION VOLUMES

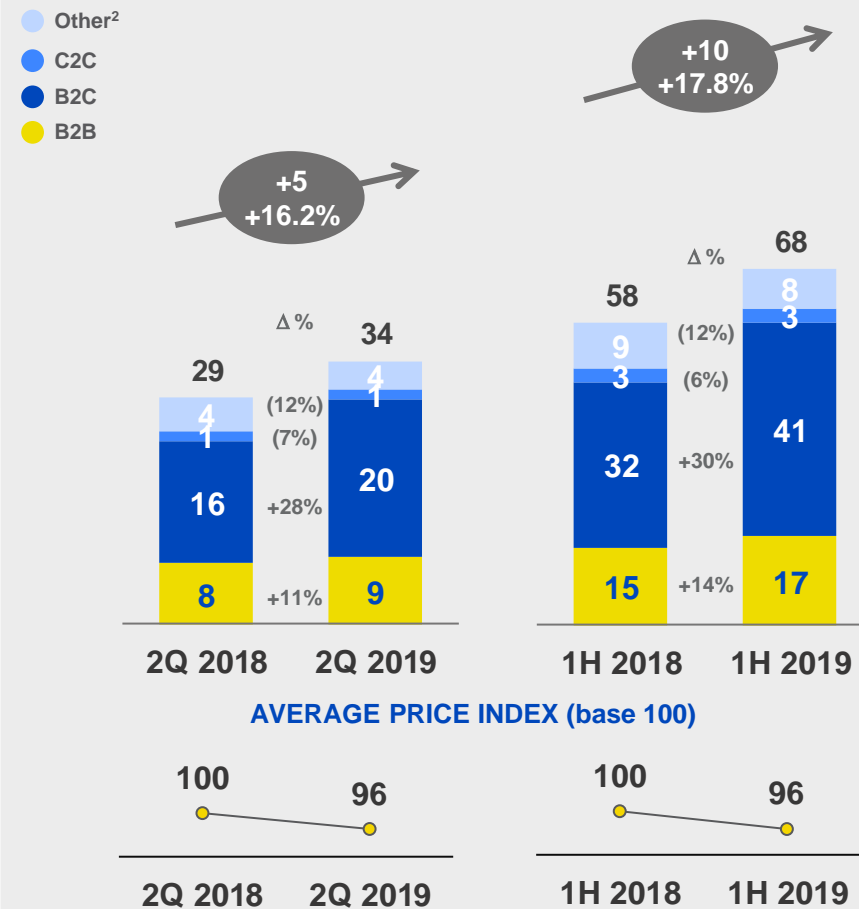
HIGHER AVERAGE PRICE MITIGATING LOWER MAIL VOLUMES; STRONG B2B AND B2C PARCEL GROWTH



MAIL VOLUMES (m/pc)



PARCEL VOLUMES (m/pc)



KEY HIGHLIGHTS

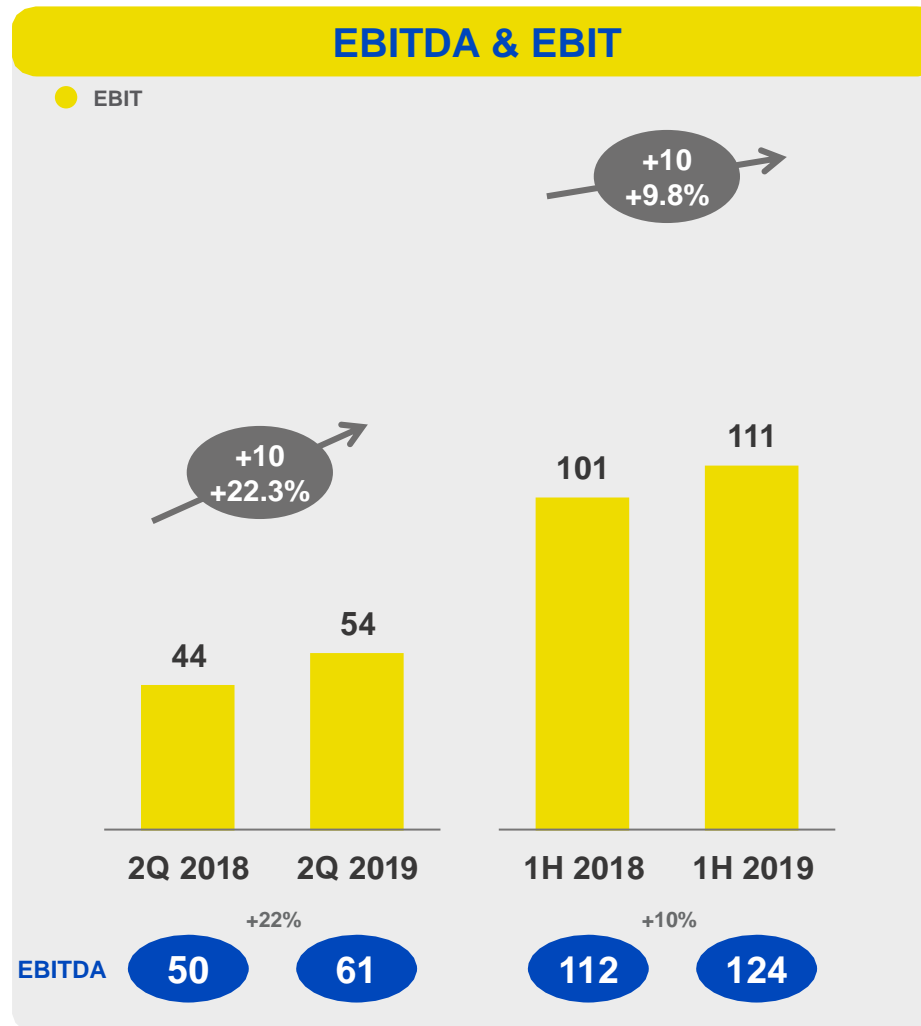
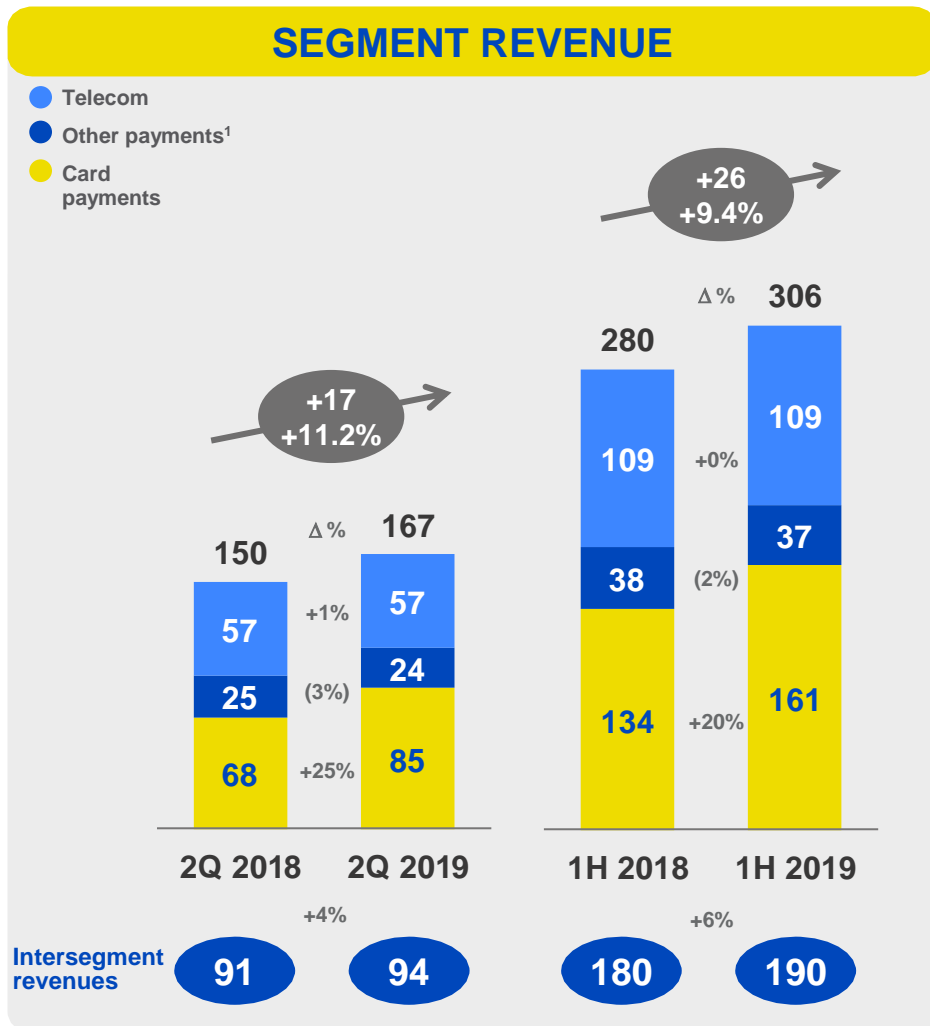
- Mail volumes down, resilient in higher margin products
- Average price per mail up on mix and July 2018 repricing
- B2B and B2C growth driven by parcel volumes
- Lower average price per parcel due to volume mix effect; average tariff up in B2B and stable in B2C

PAYMENTS, MOBILE & DIGITAL

INCREASED CARD STOCK AND TRANSACTIONS DRIVING REVENUE PROGRESSION



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KEY HIGHLIGHTS

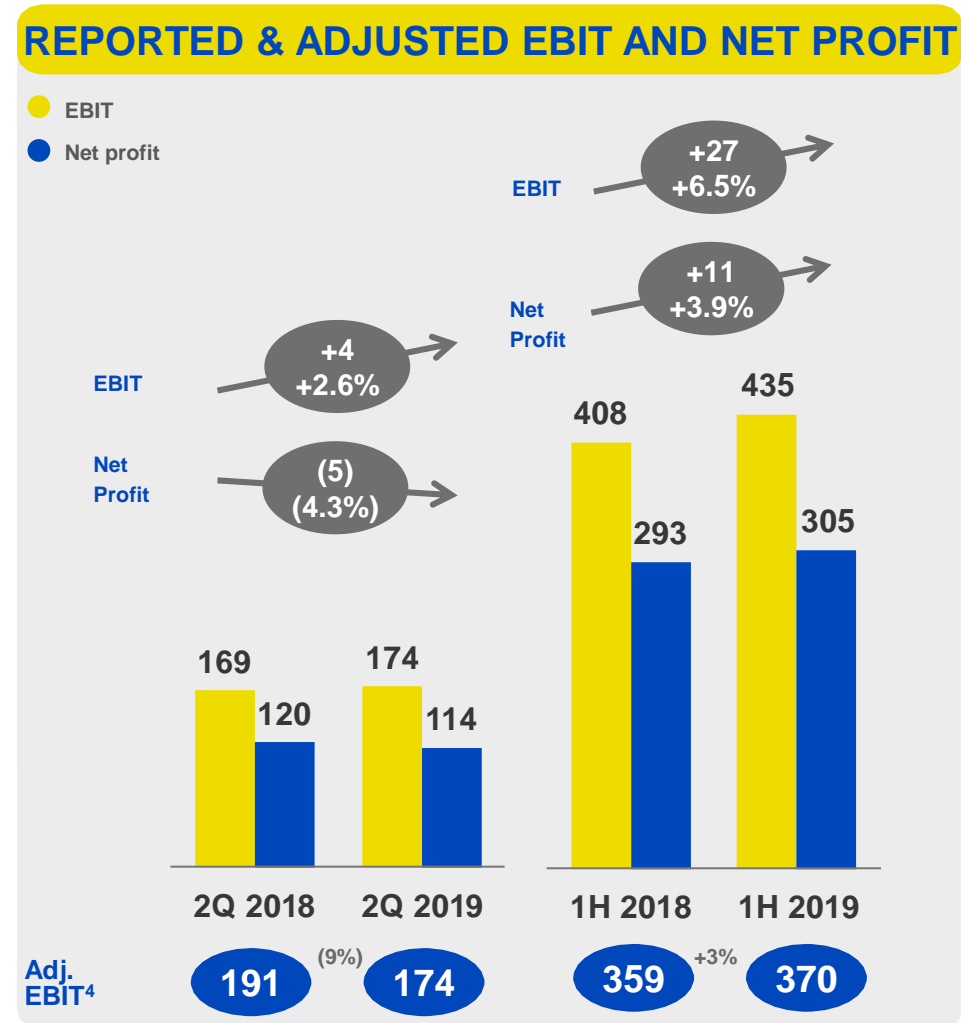
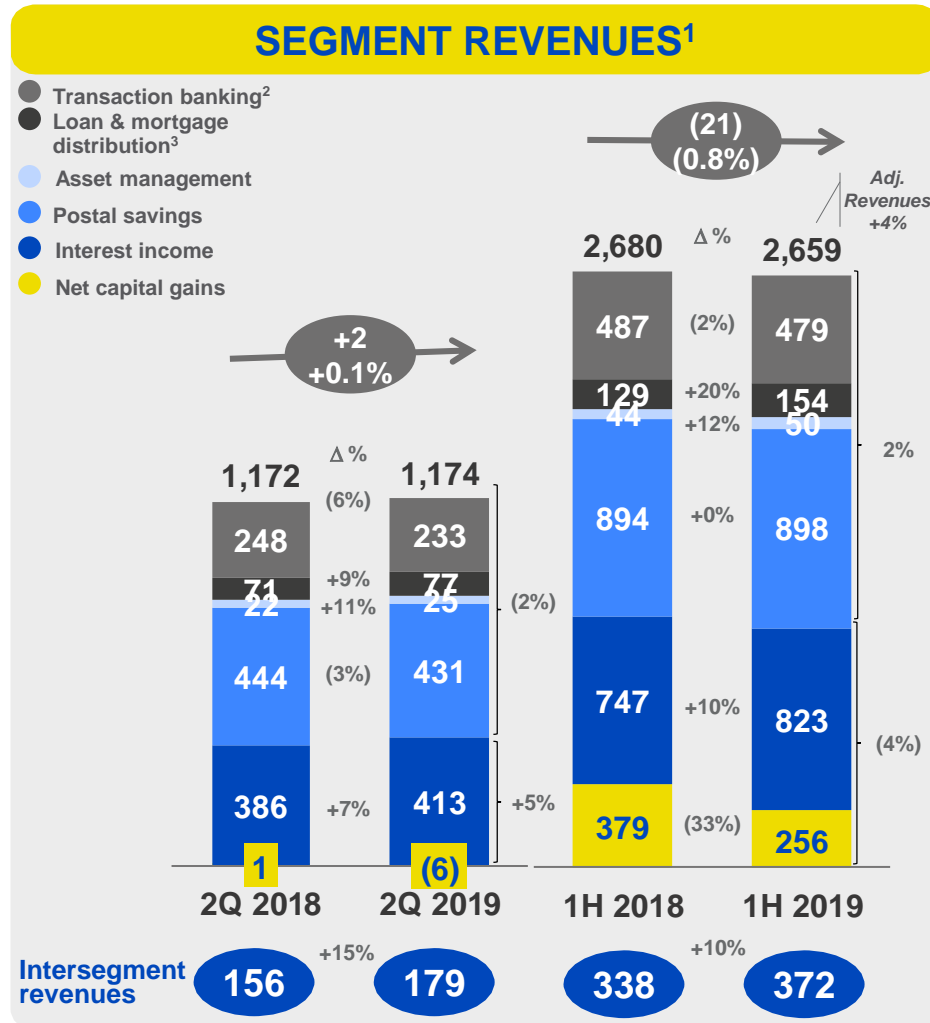
- 1H19 EBIT progression in line with 2019 target
- Increasing card stock and transactions driving strong revenue growth
- Traditional payment services decreasing due to lower revenues mainly related to payment slips and tax payments
- Telecom revenues resilient in a challenging competitive environment
- Enhanced commercial offer to customers with telco and payments integrated platform

FINANCIAL SERVICES

EVOLUTION OF COMMERCIAL SALES FORCE DELIVERING RESULTS



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KEY HIGHLIGHTS

- 1H19 EBIT progression in line with 2019 target
- Reduced reliance on capital gains continues
- Sustained recurring revenues thanks to distribution focus
- Interest income up on proactive investments in 4Q18 and 1Q19, anticipating 2019 maturities and new flows
- Postal savings on track to meet 2019 target
- Loan and mortgage distribution fees up thanks to higher volumes

1. Figures presented in this slide include net capital gains whereas figures on slide 5 are based on gross capital gains
 2. Includes revenues from bollettino, banking accounts related revenues, commissions from INPS and money transfers, Postamat
 3. Includes reported revenues from custody accounts, credit cards, other revenues from distribution of third parties products
 4. Refer to slide 25 for further details on adjustments

GROUP TOTAL FINANCIAL ASSETS

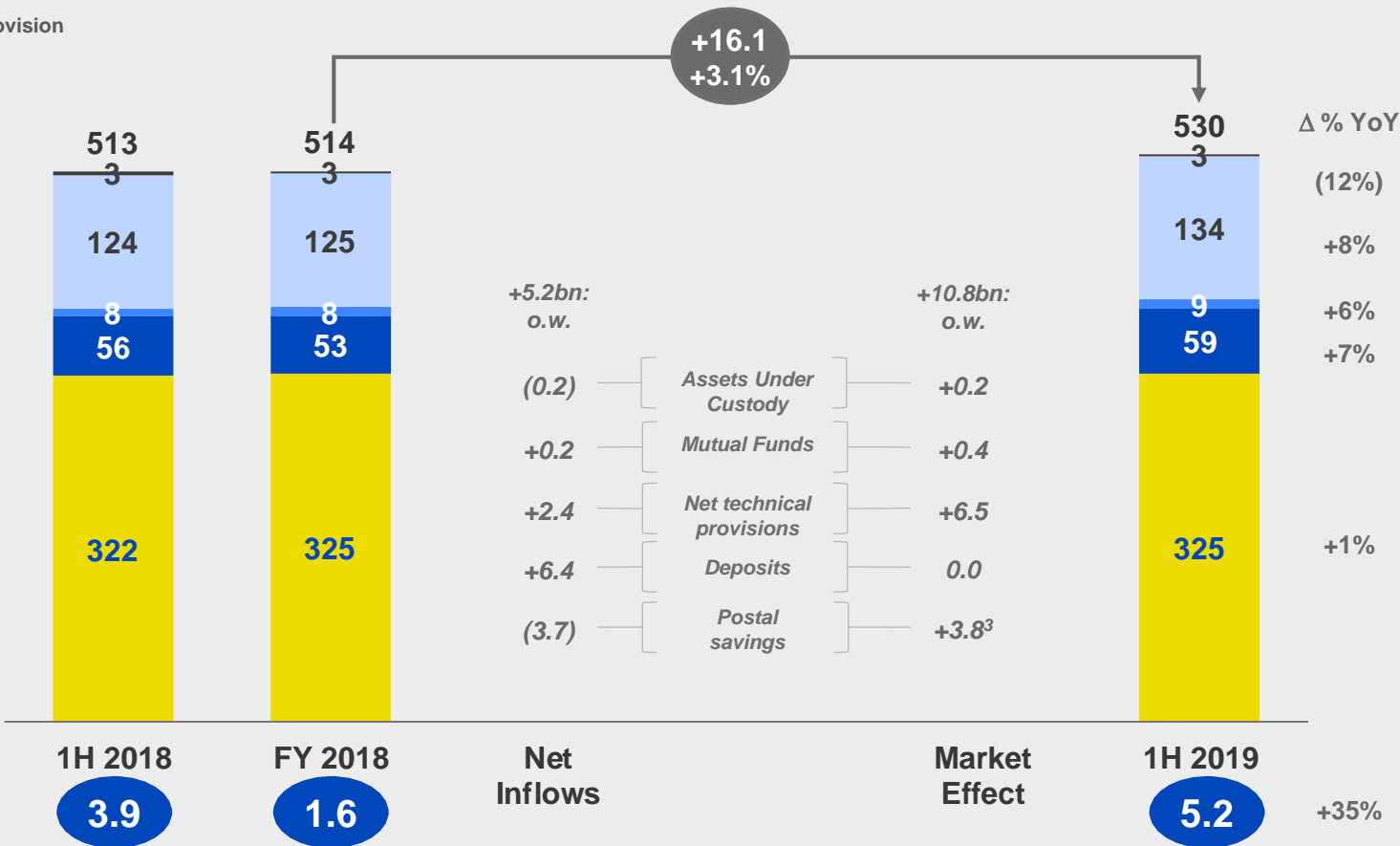
POSITIVE NET INFLOWS CONFIRM EFFECTIVE COMMERCIAL STRATEGY



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TFA EVOLUTION¹

- Assets under custody
- Net technical provision
- Mutual funds
- Deposits²
- Postal savings



KEY HIGHLIGHTS

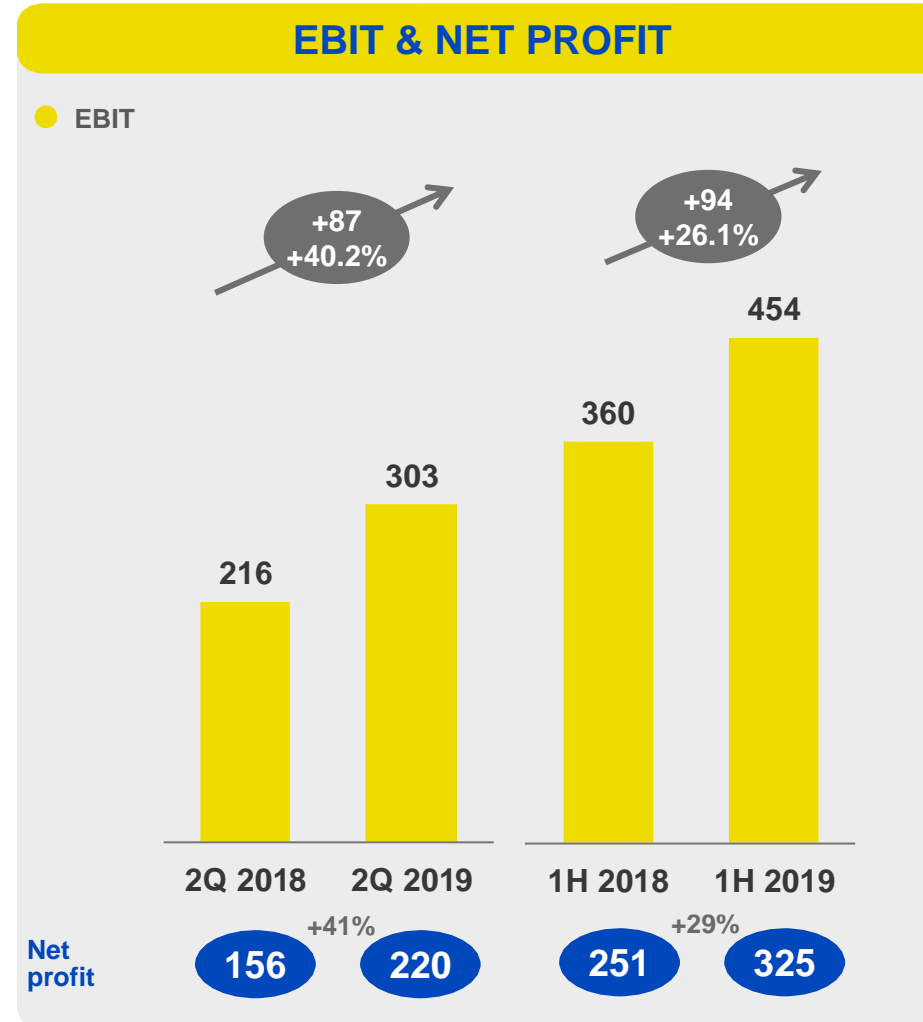
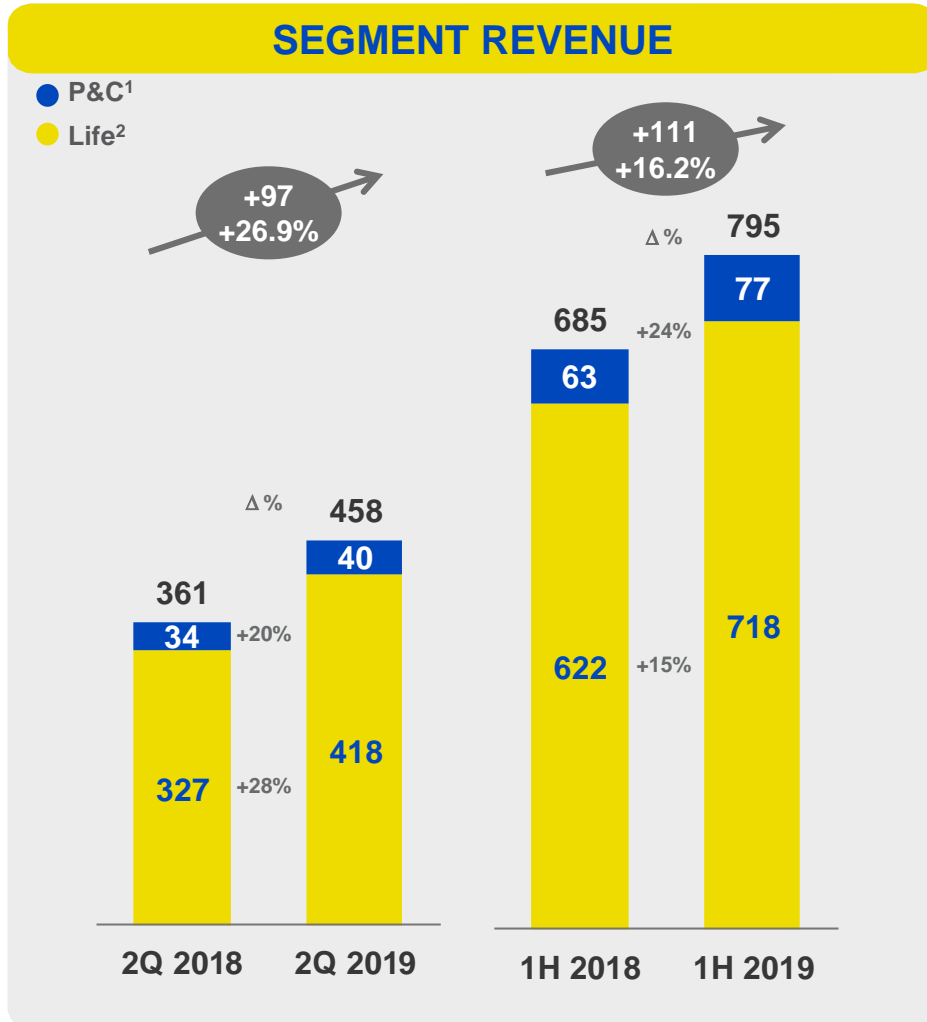
- TFA at 530bn up by 16.1bn since Dec-18
- Net inflows driven by:
 - Deposits +6.4bn benefitting from quarterly inflows from Public Administration and Postepay
 - Insurance +2.4bn supported by successful multiclass products
 - Mutual funds +0.2bn whilst market experiences negative flows
 - Postal savings distribution in line with 2019 target

INSURANCE SERVICES

CONTINUED OPERATING PROFIT GROWTH DRIVEN BY LIFE DIVERSIFICATION AND EXPANDED P&C OFFER



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KEY HIGHLIGHTS

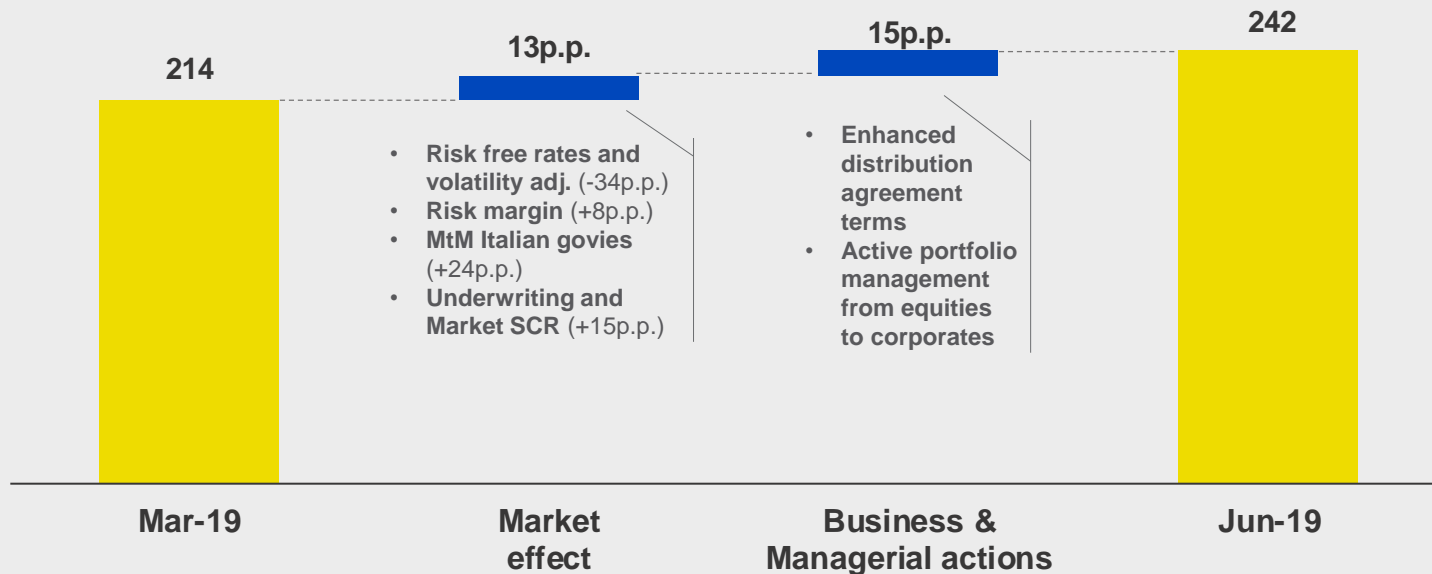
- 1H19 EBIT progression in line with 2019 target
- Successful diversification towards multiclass products
- Enhanced margins on all life insurance products
- FY19 financial margin frontloaded, leveraging on favorable market conditions
- Strong growth in P&C revenues driven by contribution from all products

SOLVENCY II RATIO

EARNINGS, IMPROVED MARKETS AND MANAGERIAL ACTIONS MORE THAN OFFSET IMPACT OF LOWER RATES



SOLVENCY RATIO EVOLUTION (%)



- Risk free rates and volatility adj. (-34p.p.)
- Risk margin (+8p.p.)
- MtM Italian govies (+24p.p.)
- Underwriting and Market SCR (+15p.p.)

- Enhanced distribution agreement terms
- Active portfolio management from equities to corporates

10Y SWAP (bps)



BTP-SWAP SPREAD (bps)



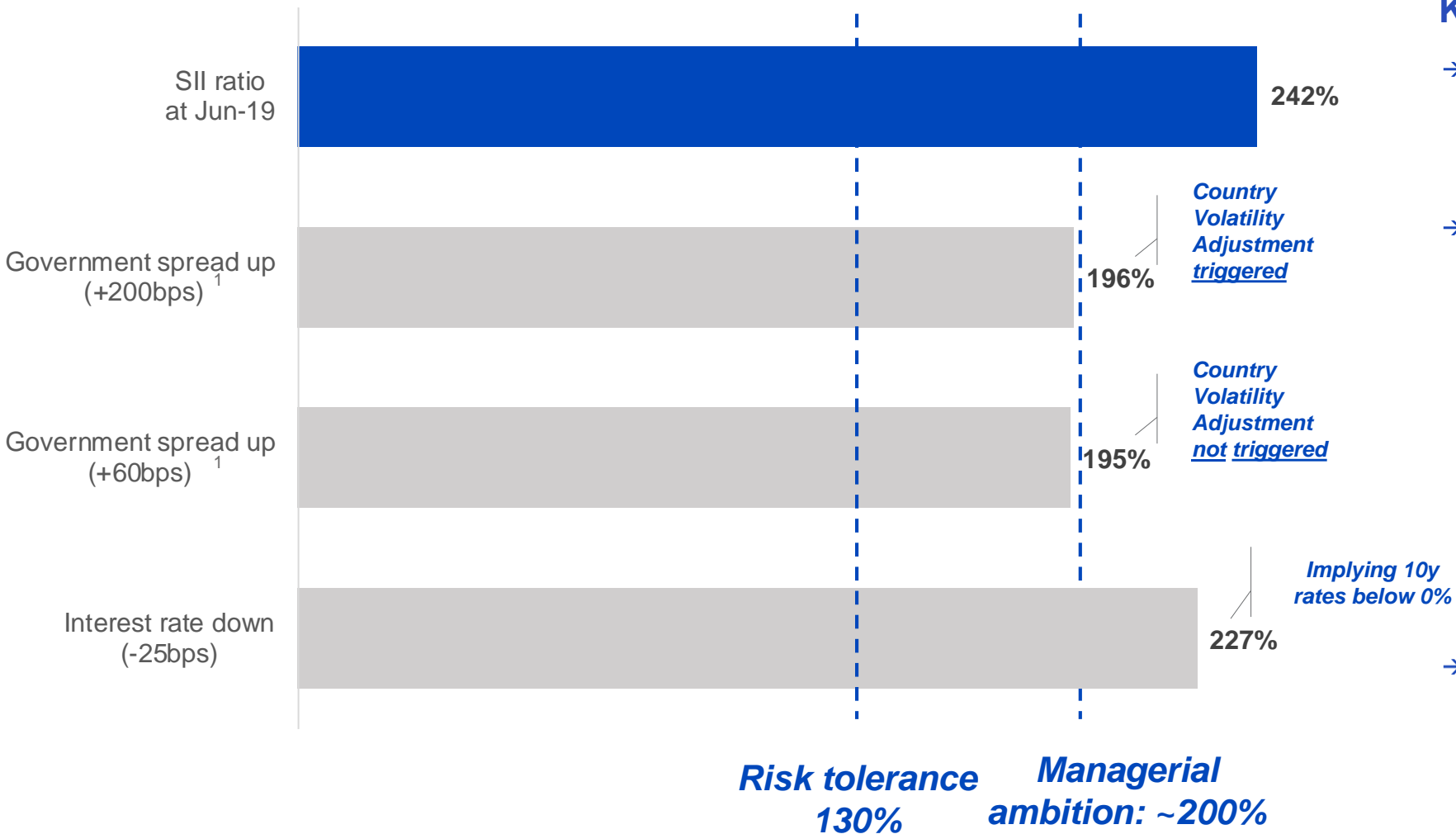
KEY HIGHLIGHTS

- Managerial ambition confirmed at c.200% through the cycle
- Main market factors impacting Solvency II:
 - Lower risk free rates negatively affecting own funds
 - Italian govies positive mark-to-market driven by lower BTP yield
 - Lower underwriting risk thanks to higher unrealized gains
- Managerial actions continue to support SII ratio
- Solvency II ratio also supported by reduced dividend upstream to c.50%, with no impact on Group dividend policy

SOLVENCY II – KEY SENSITIVITIES

A DISCIPLINED RISK APPETITE FRAMEWORK TO WEATHER VOLATILE MARKET SCENARIOS

SOLVENCY RATIO AND SENSITIVITIES



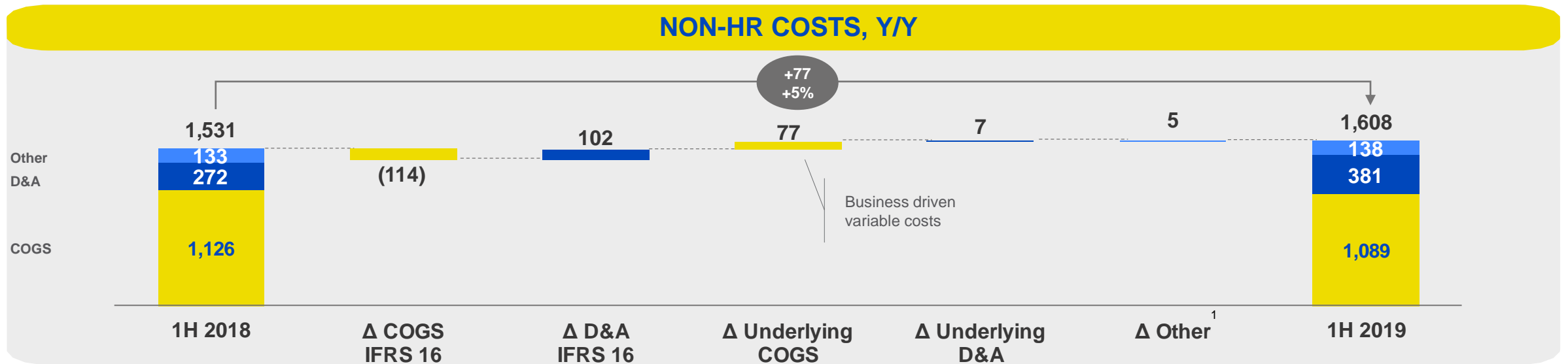
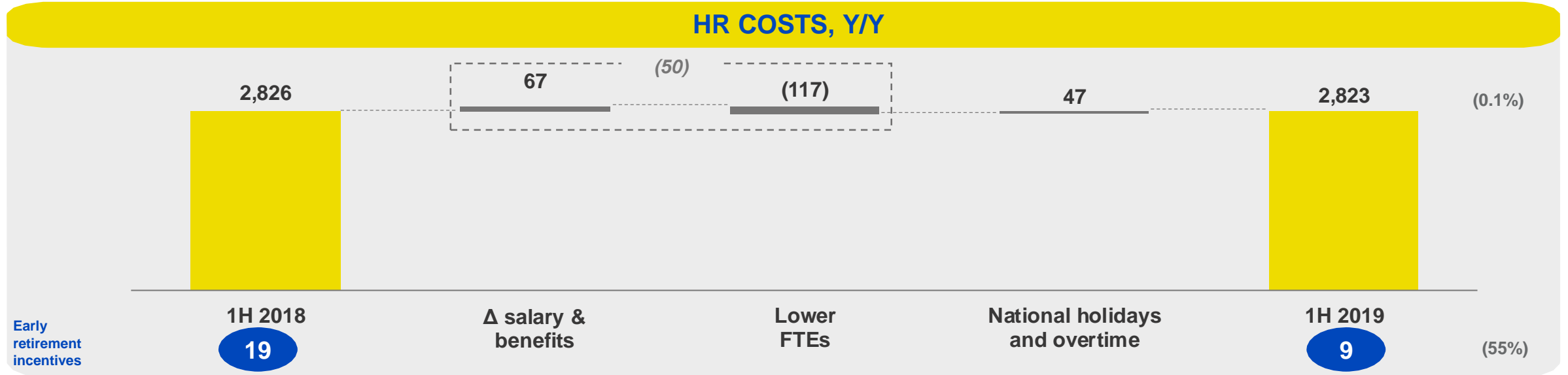
KEY HIGHLIGHTS

- Effective managerial actions translate into a stronger ability to absorb potential shocks
- Solvency II ratio in line with managerial ambition through the cycle, thanks to:
 - Country volatility adjustment, mitigating impact from higher spreads
 - significant unrealized gains buffer in the investment portfolio
- Ongoing portfolio diversification contributing to Solvency II ratio resiliency over the plan horizon

COST DISCIPLINE – 1H19 VS. 1H18

LOWER FTEs MORE THAN OFFSETTING AGREED SALARY INCREASE; NON-HR COSTS UP TO SUPPORT GROWTH

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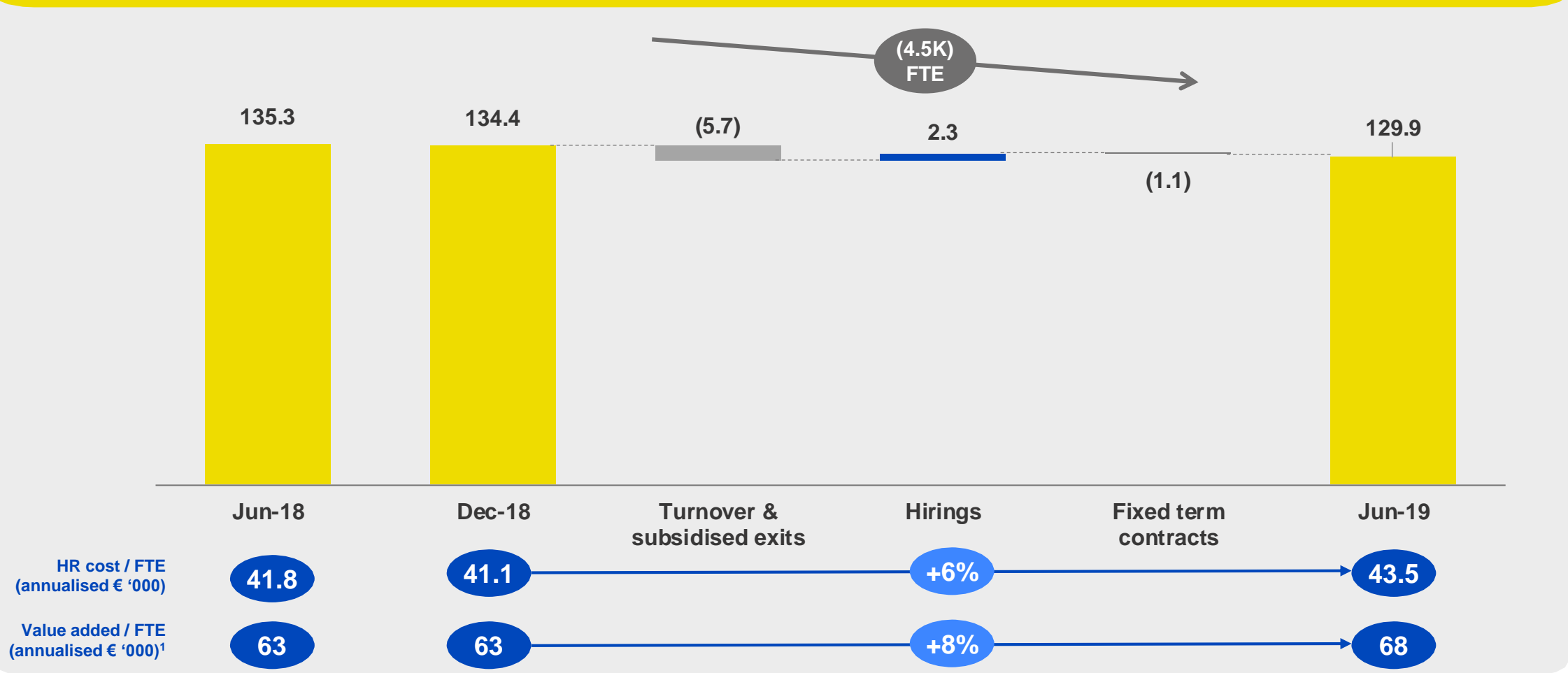


1. Mainly impairments on commercial receivables

WORKFORCE EVOLUTION

ONGOING FTE REDUCTION SUPPORTING TRANSFORMATION; IMPROVING VALUE ADDED PER FTE

AVERAGE HEADCOUNT ('000)



INCREASED PROFITABILITY CONFIRMS EFFECTIVENESS OF BUSINESS DIVERSIFICATION

CONTINUED COMMITMENT TO COST DISCIPLINE, ABILITY TO DELIVER FTE REDUCTION

ACCELERATION IN CAPEX DEPLOYMENT TO SUPPORT INDUSTRIAL TRANSFORMATION

NET PROFIT AT 0.8BN IN 1H19; FULLY ON TRACK TO MEET 2019 TARGETS



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POSTE GROUP: 2Q & 1H19 ONE-OFFS

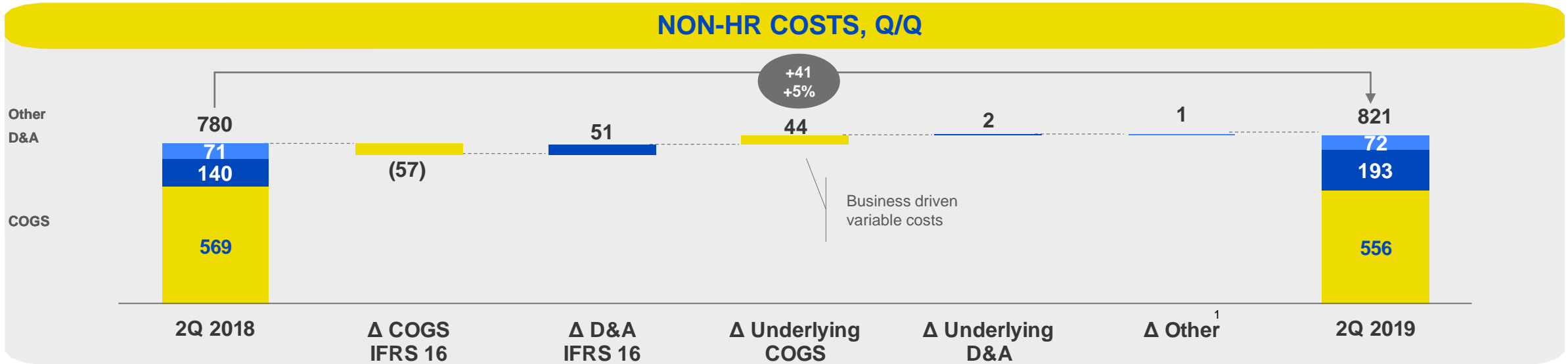
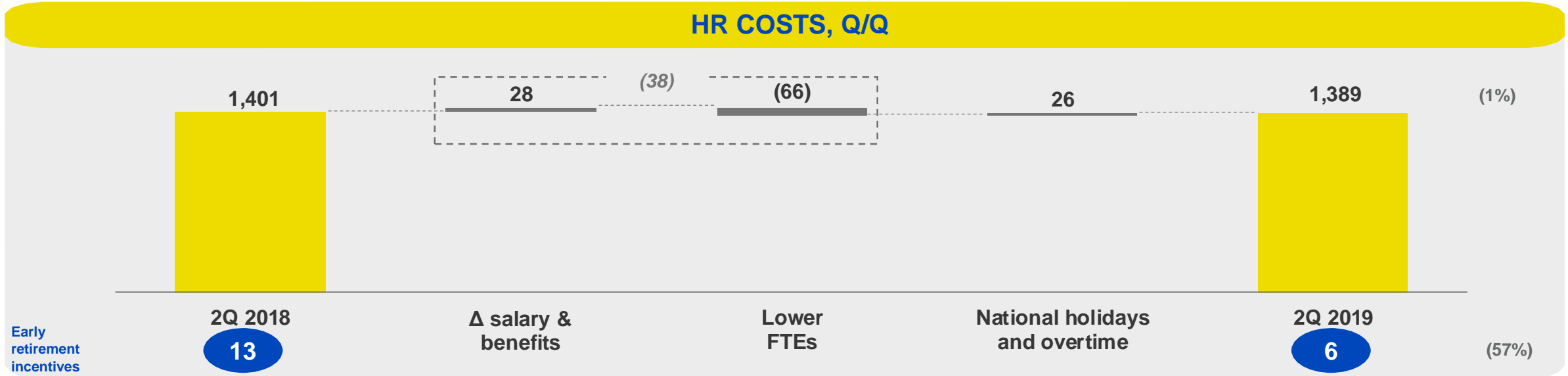
EXPLANATORY NOTES TO ADJUSTED FIGURES

	2Q 2018	2Q 2019	Δ (€ m)	Δ (%)	1H 2018	1H 2019	Δ (€ m)	Δ (%)
REPORTED REVENUES	2,546	2,679	134	5%	5,430	5,521	92	2%
<i>GROSS CAPITAL GAINS ON INVESTMENT PORTFOLIO</i>	1	0			404	261		
<i>VISA - IFRS 9 VALUATION</i>	9	5			9	17		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	1			0	1		
ADJUSTED REVENUES	2,535	2,674	139	5%	5,017	5,242	225	4%
REPORTED COSTS	2,196	2,216	20	1%	4,377	4,441	64	1%
<i>CAPITAL LOSSES ON INVESTMENT PORTFOLIO</i>	0	6			25	6		
<i>EARLY RETIREMENT INCENTIVES</i>	13	6			19	9		
<i>REAL ESTATE FUNDS PROVISIONS</i>	17	0			17	0		
<i>VISA - FAIR VALUE HEDGE</i>	0	5			0	9		
ADJUSTED COSTS	2,165	2,200	35	2%	4,316	4,418	102	2%
REPORTED EBIT	350	464	114	32%	1,053	1,081	28	3%
ADJUSTED EBIT	370	474	104	28%	701	825	123	18%
REPORTED NET PROFIT	250	324	75	30%	735	763	28	4%
ADJUSTED NET PROFIT	262	339	77	29%	482	570	88	18%

COST DISCIPLINE – 2Q19 VS. 2Q18

LOWER FTEs BALANCED BY TRANSFORMATION PRIORITIES; NON-HR COSTS UP TO SUPPORT GROWTH

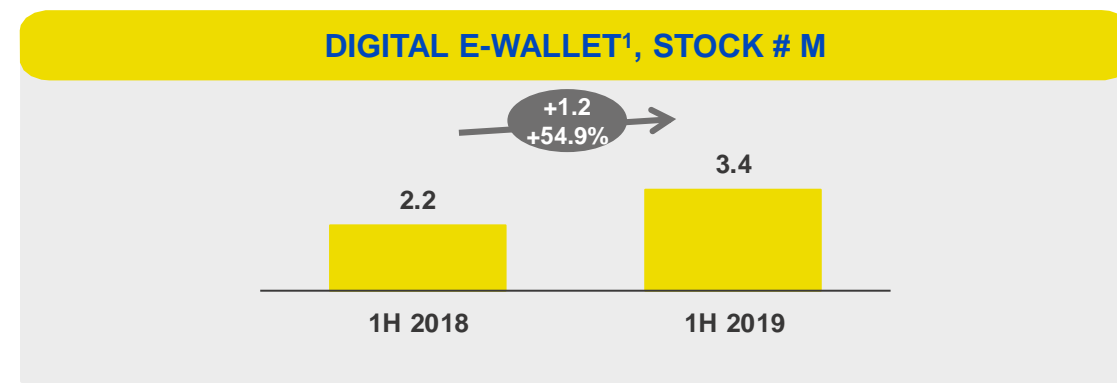
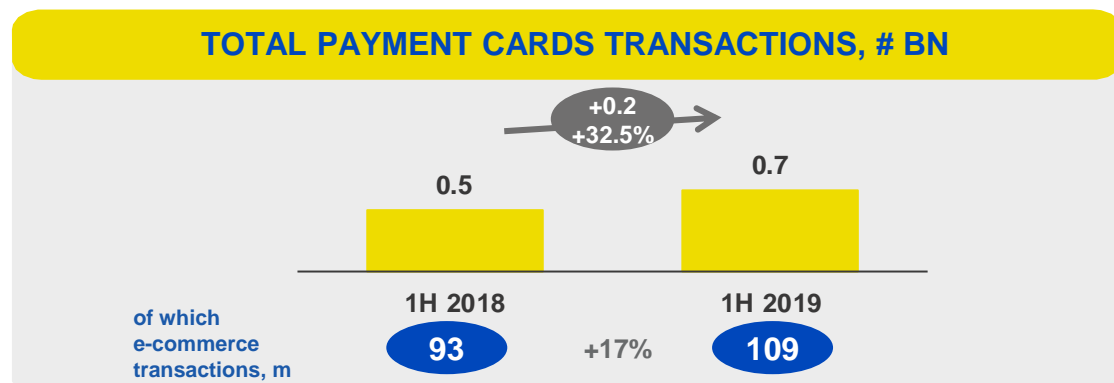
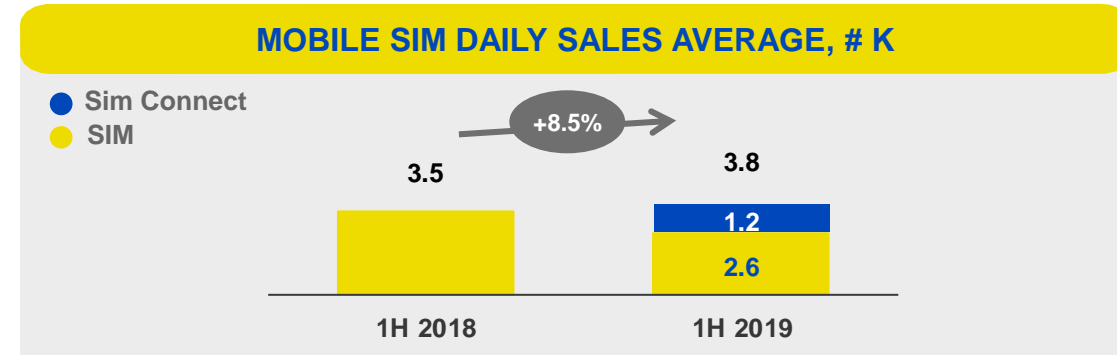
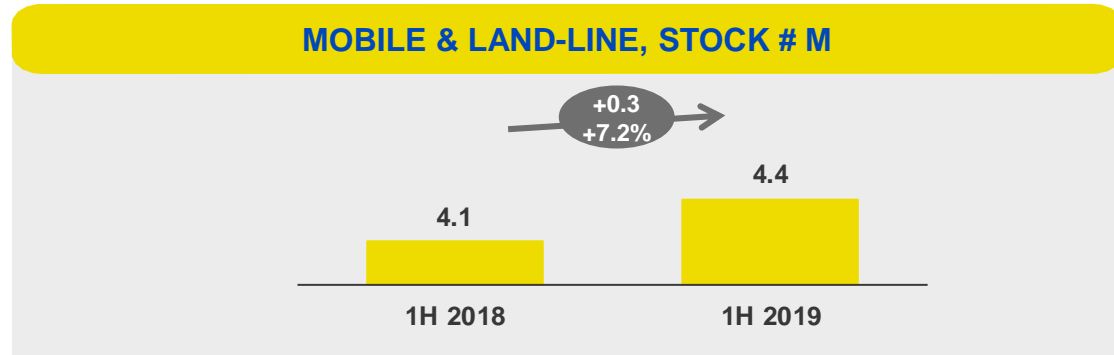
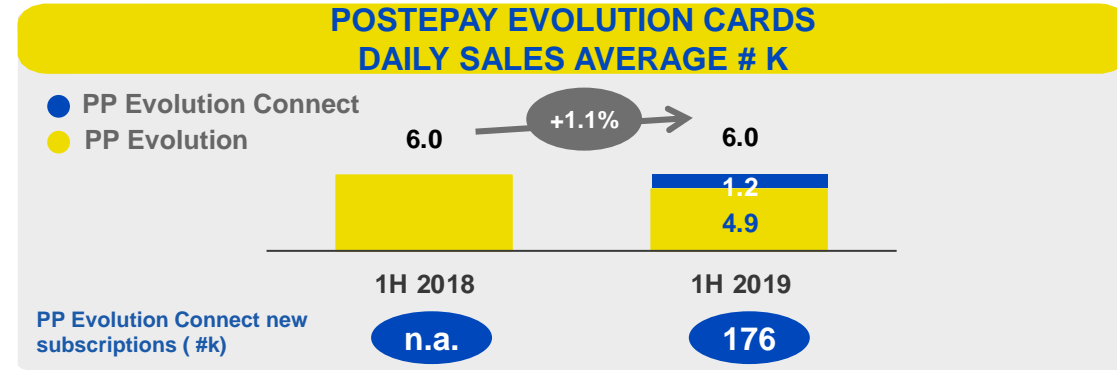
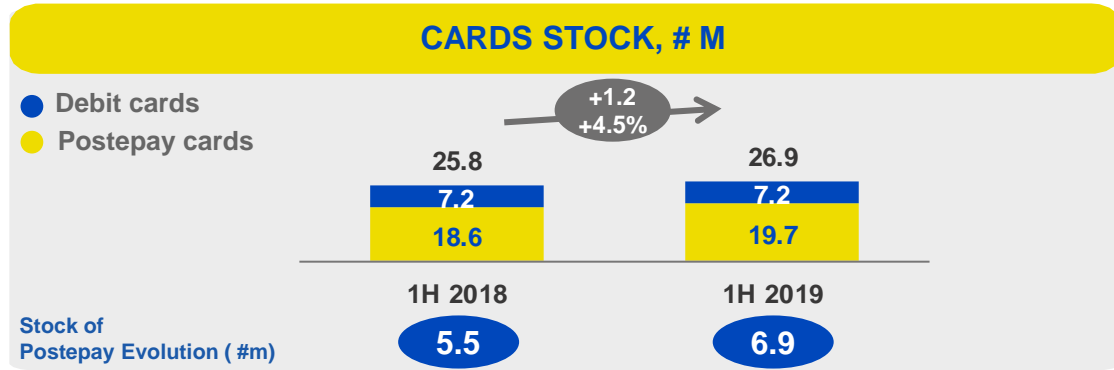
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1. Mainly impairments on commercial receivables

GROWTH IN PAYMENTS, MOBILE & DIGITAL

KEY METRICS STEADILY IMPROVING

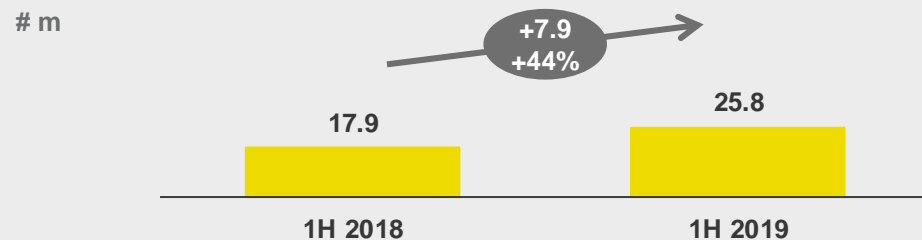


POSTE ITALIANE DIGITAL FOOTPRINT

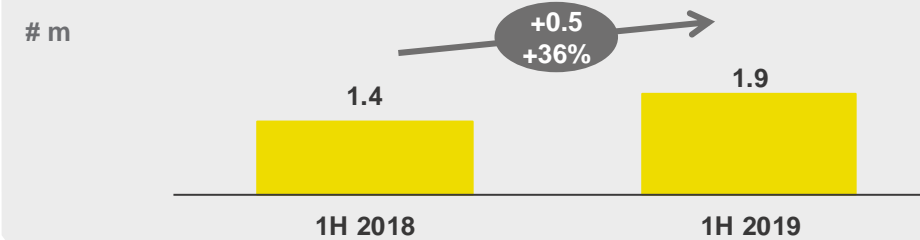
KEY METRICS STEADILY IMPROVING



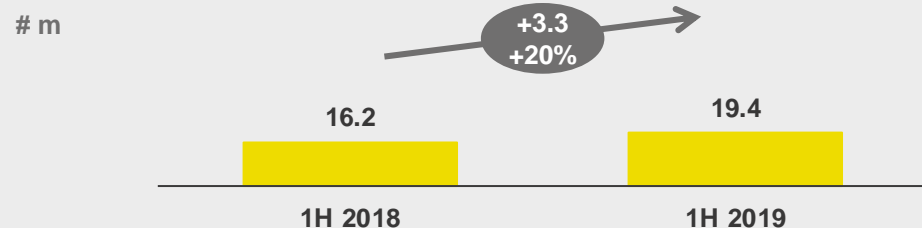
GROWTH IN CUMULATED APPS DOWNLOADS¹



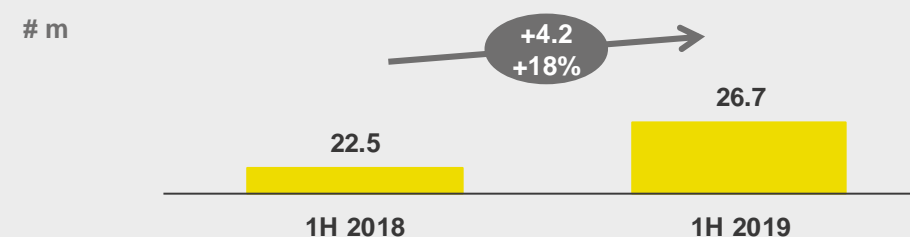
DAILY ONLINE USERS



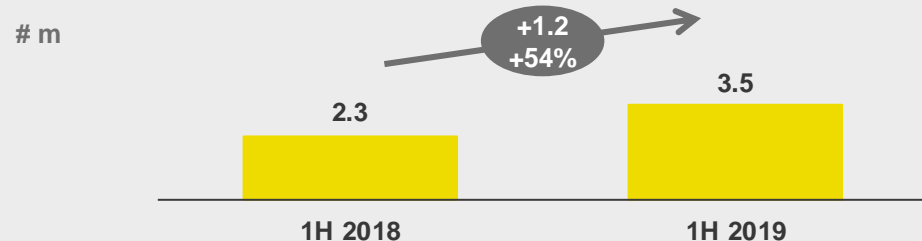
REGISTERED ONLINE USERS STOCK



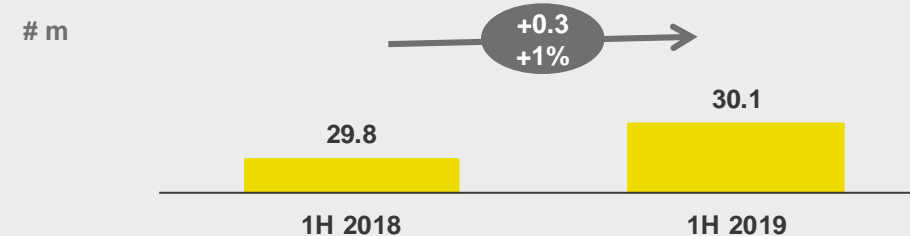
GROWTH IN CONSUMER FINANCIAL TRANSACTIONS



ELECTRONIC IDENTIFICATION² STOCK



GROWTH IN TRACK&TRACE SEARCHES³



FINANCIAL SERVICES: 2Q & 1H19 ONE-OFFS

EXPLANATORY NOTES TO ADJUSTED FIGURES



	2Q 2018	2Q 2019	Δ (€ m)	Δ (%)	1H 2018	1H 2019	Δ (€ m)	Δ (%)
REPORTED REVENUES ¹	1,329	1,359	30	2%	3,043	3,037	-6	-0.2%
GROSS CAPITAL GAINS ON INV. PORTFOLIO	1	0			404	261		
VISA - IFRS 9 VALUATION	9	5			9	17		
VISA - CAPITAL GAIN ON SHARES DISPOSAL	0	1			0	1		
ADJUSTED REVENUES	1,318	1,353	35	3%	2,630	2,758	128	5%
REPORTED COSTS	1,159	1,185	26	2%	2,635	2,602	-33	-1%
EARLY RETIREMENT INCENTIVES	6	0			7	1		
CAPITAL LOSSES ON INV. PORTFOLIO	0	6			25	6		
CAPITAL GAINS COMMISSIONING	1	-4			307	199		
VISA - FAIR VALUE HEDGE	0	5			0	9		
REAL ESTATE FUNDS PROVISIONS	17	0			17	0		
VISA - COMMISSIONING	7	0			7	0		
ADJUSTED COSTS	1,128	1,179	51	5%	2,271	2,388	116	5%
REPORTED EBIT	169	174	4	3%	408	435	27	7%
ADJUSTED EBIT	191	174	-17	-9%	359	370	11	3%
REPORTED NET PROFIT	120	114	-5	-4%	293	305	11	4%
ADJUSTED NET PROFIT	135	115	-20	-15%	258	257	-1	-0.4%

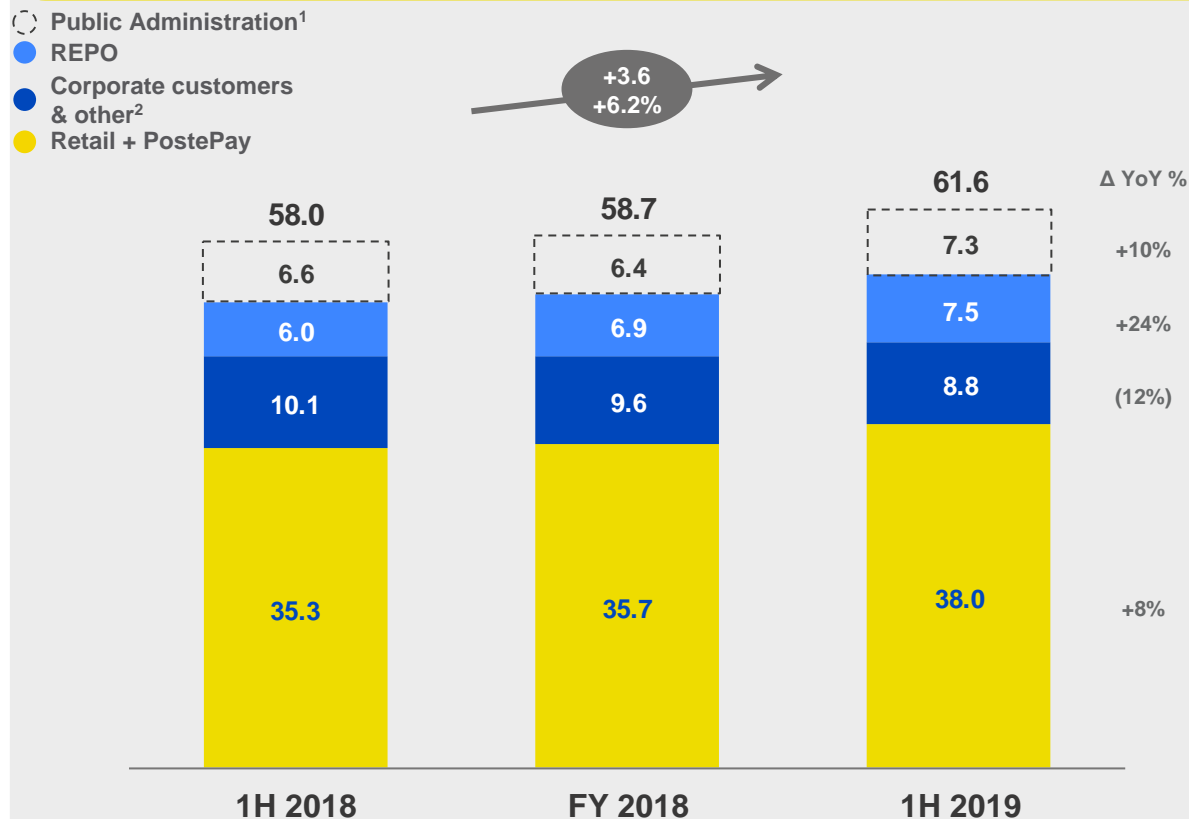
BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

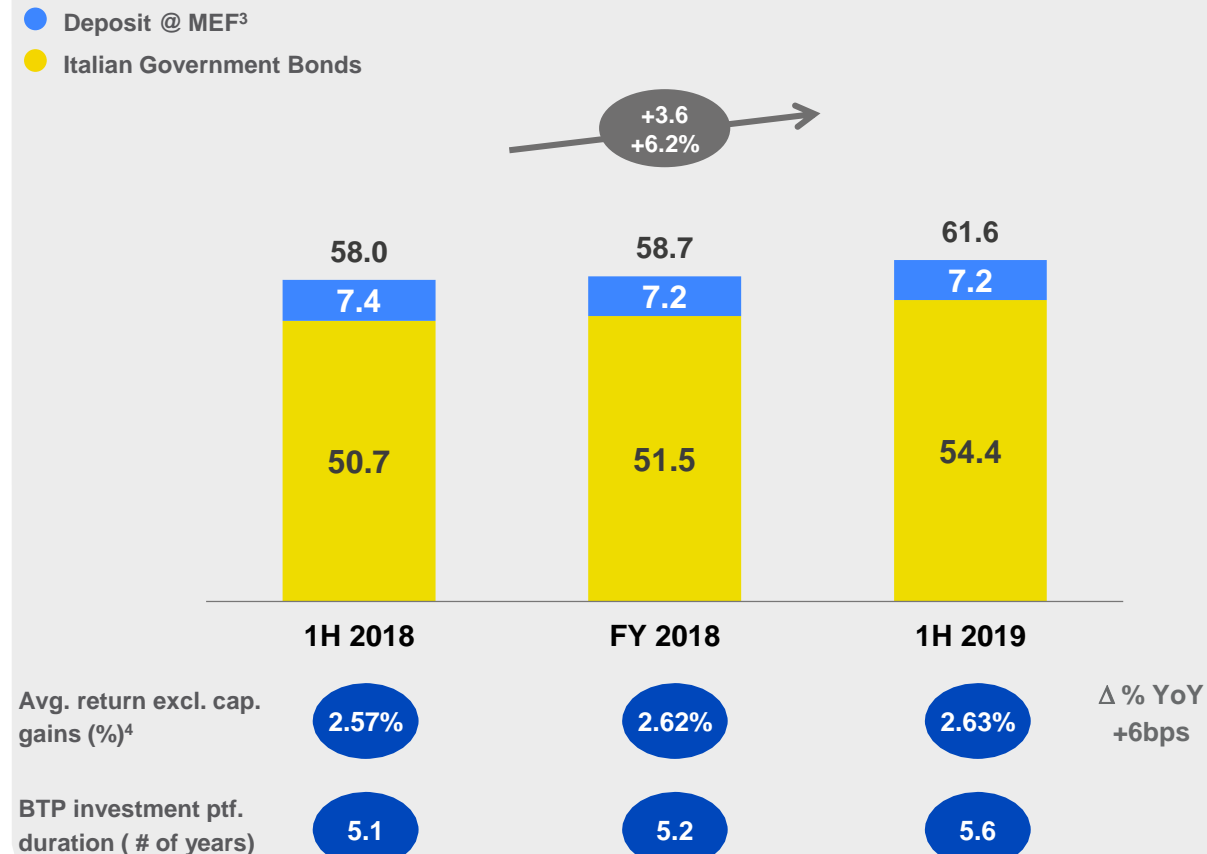
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AVERAGE CURRENT ACCOUNTS DEPOSITS



AVERAGE INVESTMENT PORTFOLIO



FINANCIAL SERVICES: FOCUS ON INVESTMENT PORTFOLIO

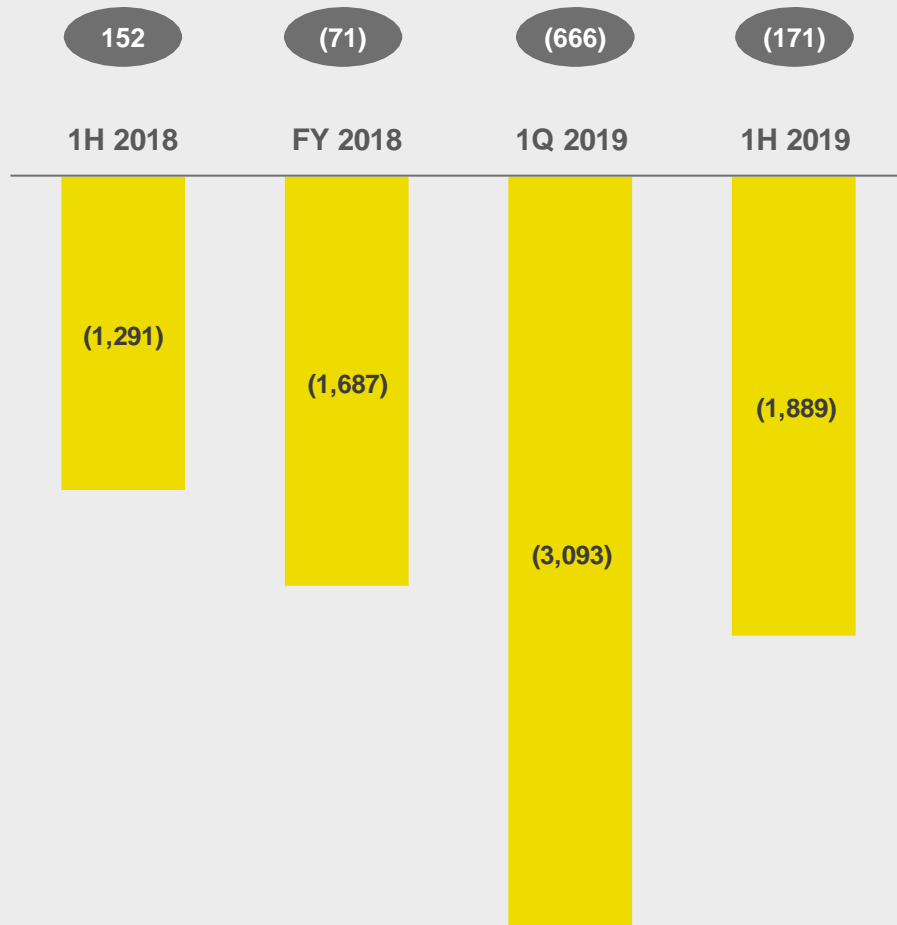
UNREALISED LOSSES IMPROVING TO -1.9BN



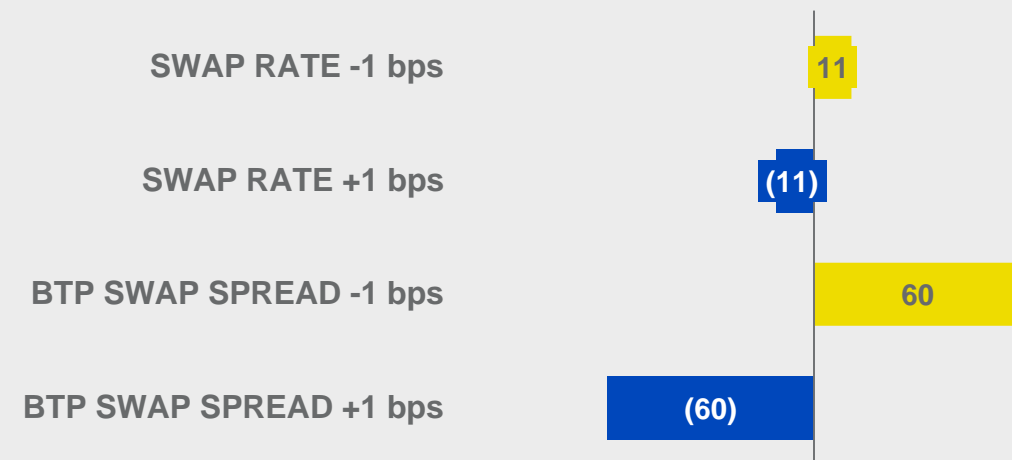
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UNREALIZED GAINS/LOSSES

Fair Value reserve



UNREALIZED GAINS SENSITIVITIES¹



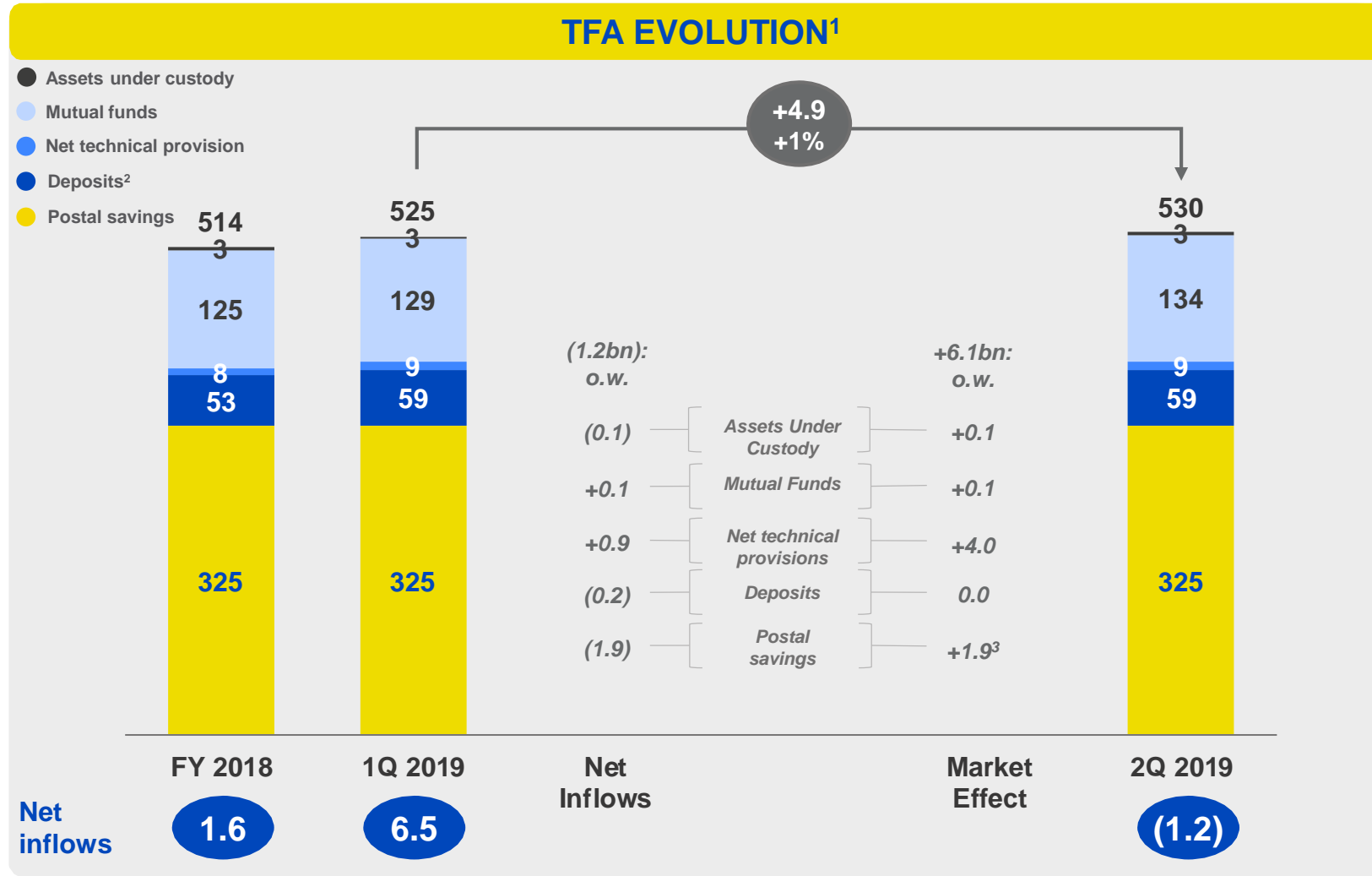
	1H 2018	FY 2018	1Q 2019	1H 2019	Var (bps) 1H19 vs 1Q19
BTP 10Y	2.68	2.74	2.48	2.10	(38)
SWAP 10Y	0.87	0.81	0.46	0.18	(28)
BTP 15Y	2.99	3.03	3.08	2.55	(53)
SWAP 15Y	1.23	1.17	0.82	0.49	(33)
BTP 30Y	3.45	3.53	3.47	3.09	(38)
SWAP 30Y	1.46	1.38	1.07	0.72	(35)

GROUP TOTAL FINANCIAL ASSETS IN 2Q 2019

POSITIVE MARKET PERFORMANCE IN RETAIL PRODUCTS LEADING TO HIGHER TFA



€ bn unless otherwise stated



KEY HIGHLIGHTS

- TFA at 530bn up by 4.9bn vs. 1Q19
- Net inflows driven by:
 - Insurance +0.9bn supported by multiclass products
 - Mutual funds +0.1bn

POSTAL SAVINGS

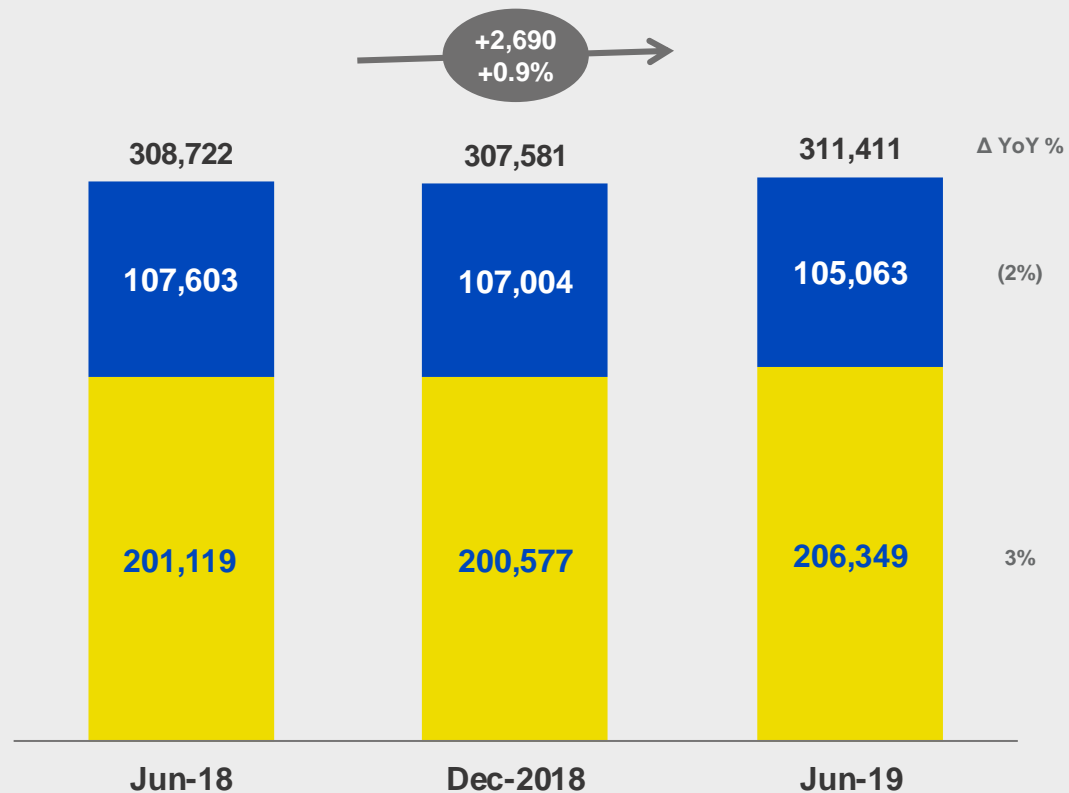
NET INFLOWS AND DISTRIBUTION FEES ON TRACK WITH PLAN



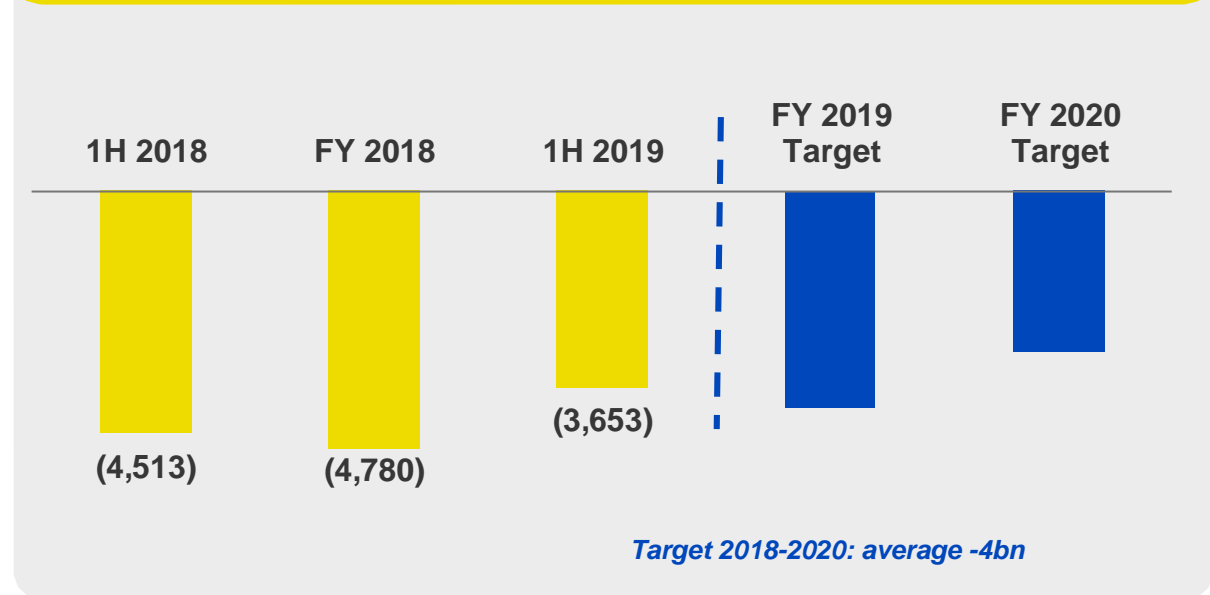
€ m unless otherwise stated

AVERAGE POSTAL SAVINGS¹

- Postal saving books
- Postal bonds



POSTAL SAVING NET INFLOWS



	2Q 2018	2Q 2019	Var. %	1H 2018	1H 2019	Var. %
Fees	444	431	(2.9%)	894	898	+0.4%

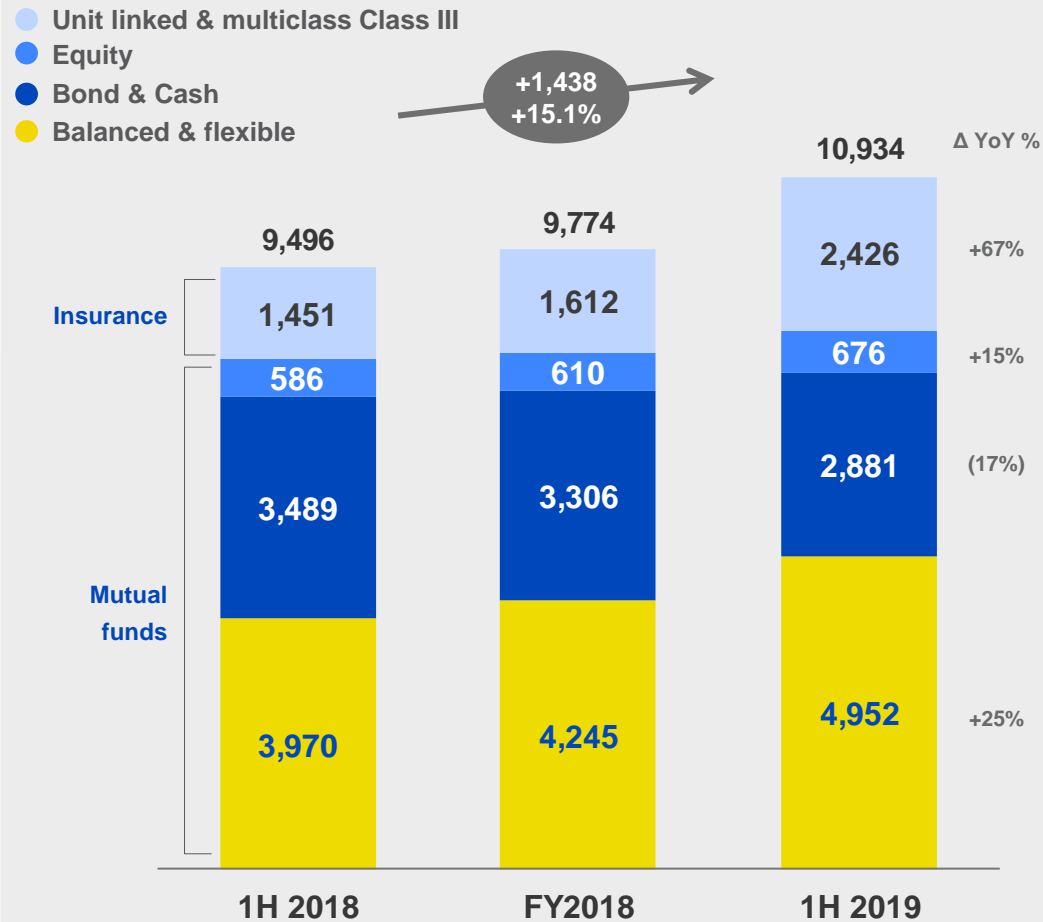
ASSET MANAGEMENT PROGRESSING

MULTICLASS INSURANCE PRODUCTS AND MUTUAL FUNDS NET SALES DRIVING AUM GROWTH

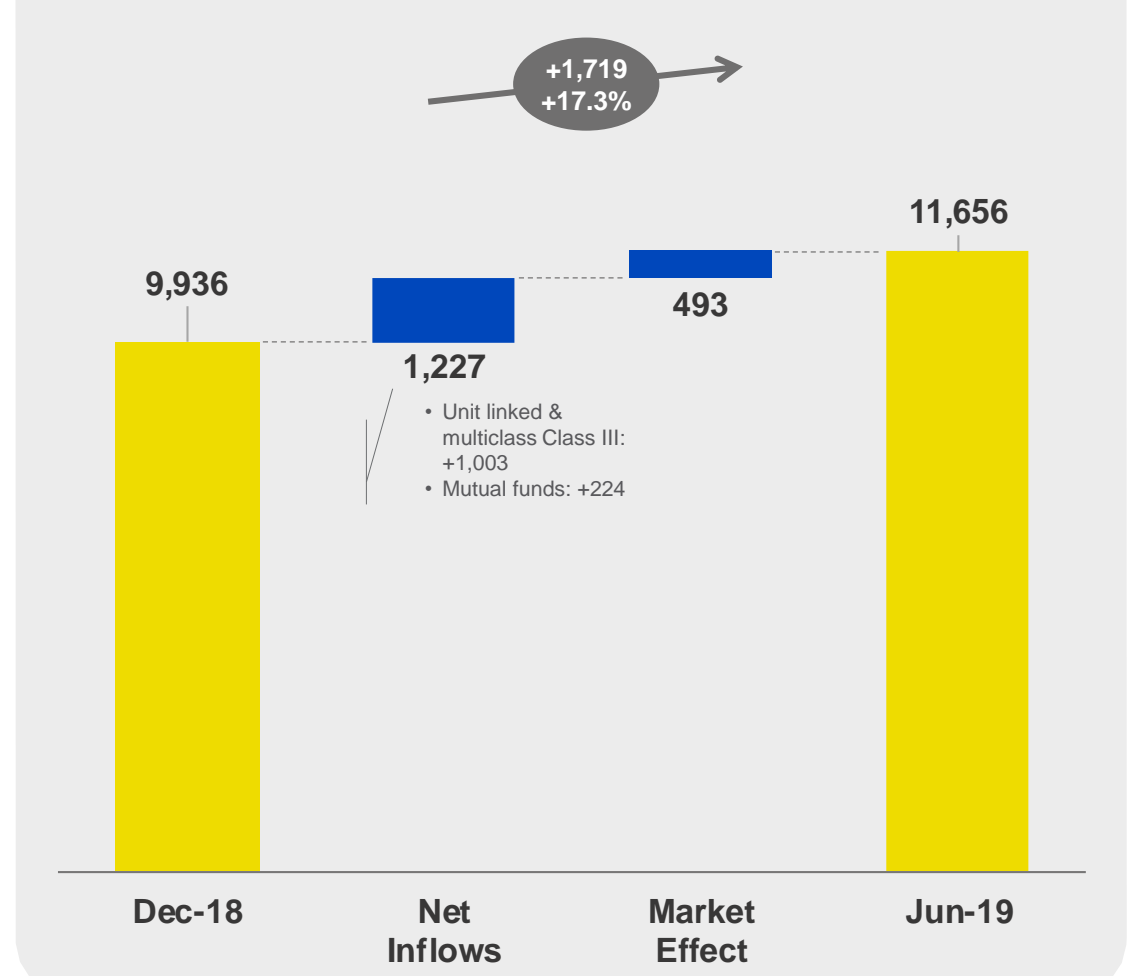


€ m unless otherwise stated

AVERAGE ASSETS UNDER MANAGEMENT



ASSETS UNDER MANAGEMENT EVOLUTION¹



1. End of period Assets Under Management

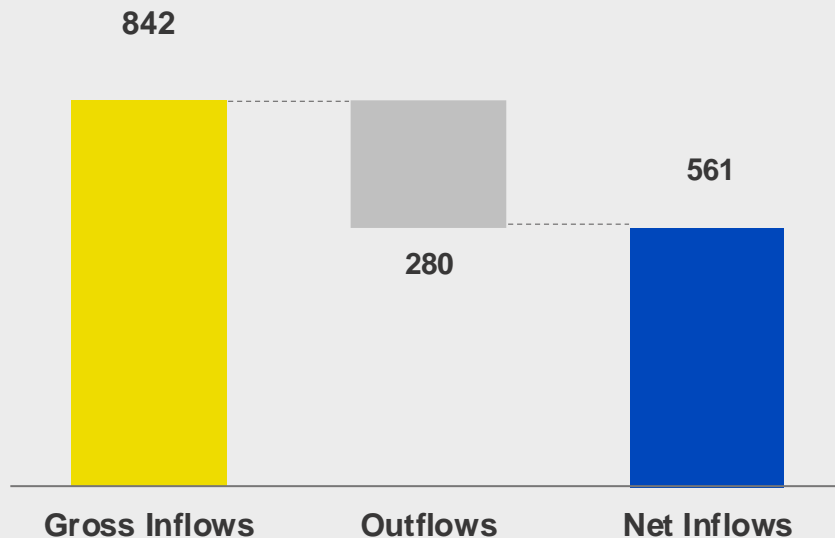
ASSET MANAGEMENT NET INFLOWS INCREASING IN 2Q

INSURANCE PRODUCTS AND MUTUAL FUNDS NET SALES RESULTING IN POSITIVE NET INFLOWS



€ m unless otherwise stated

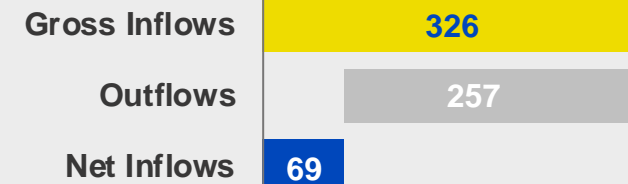
TOTAL NET INFLOWS – 2Q 2019



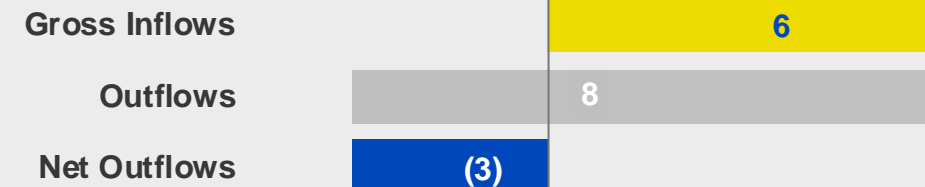
Multiclass Class III¹



Mutual funds



Unit Linked (class III)

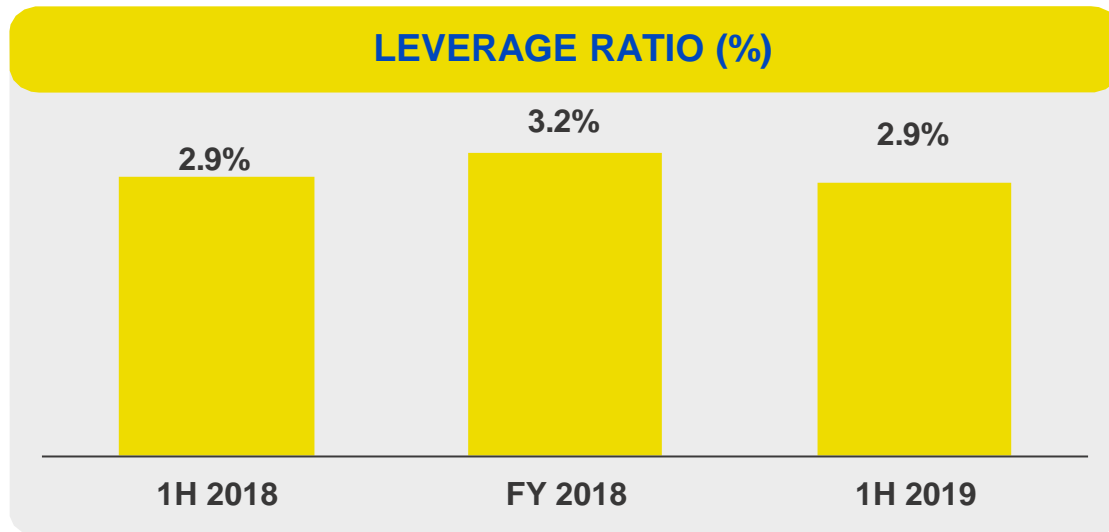


SOLID AND EFFICIENT CAPITAL POSITION IN BANCOPOSTA

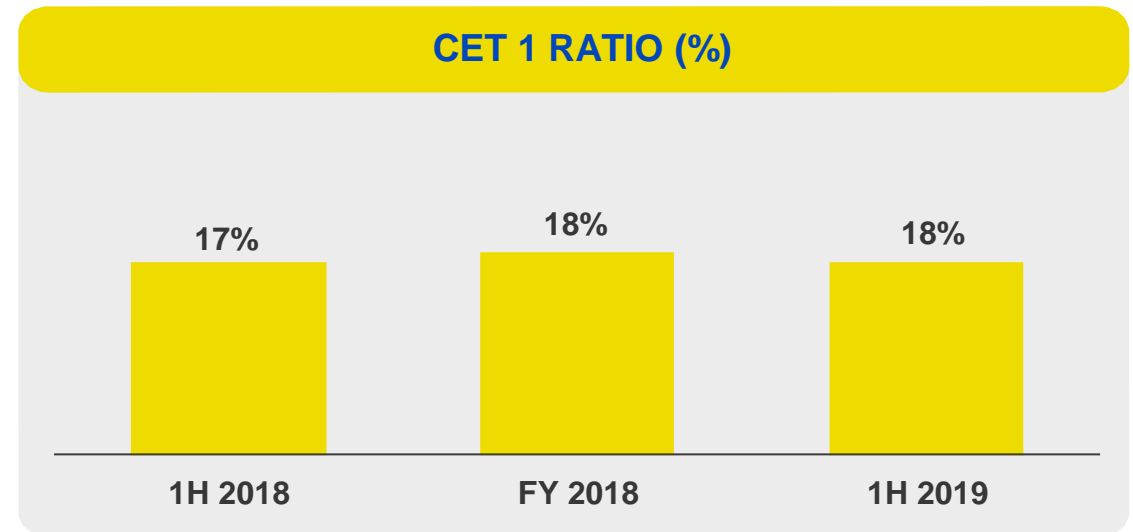
AN ASSET GATHERER, WITH A LOW RISK BALANCE SHEET



LEVERAGE RATIO (%)

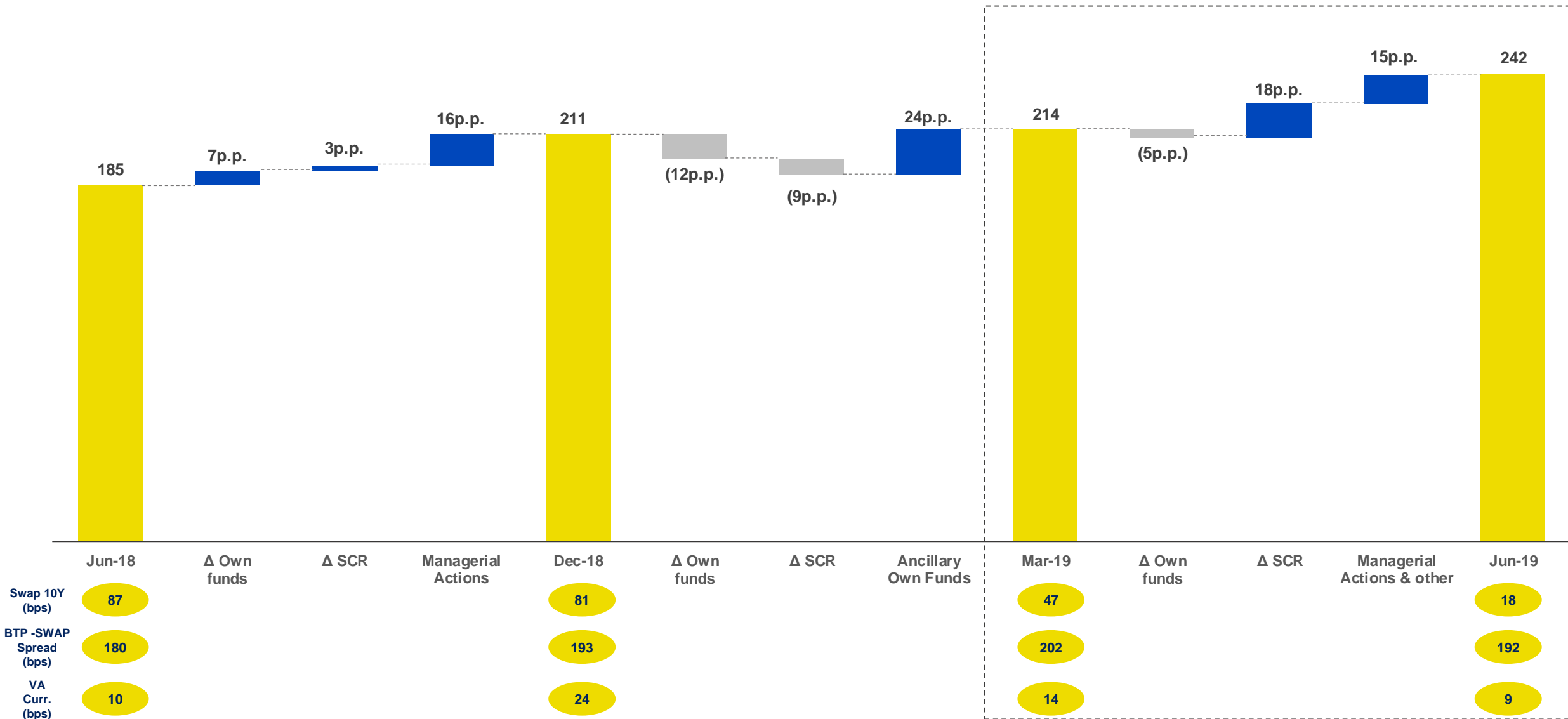


CET 1 RATIO (%)



SOLVENCY II EVOLUTION

MANAGERIAL AMBITION CONFIRMED AT ~200% THROUGH THE CYCLE

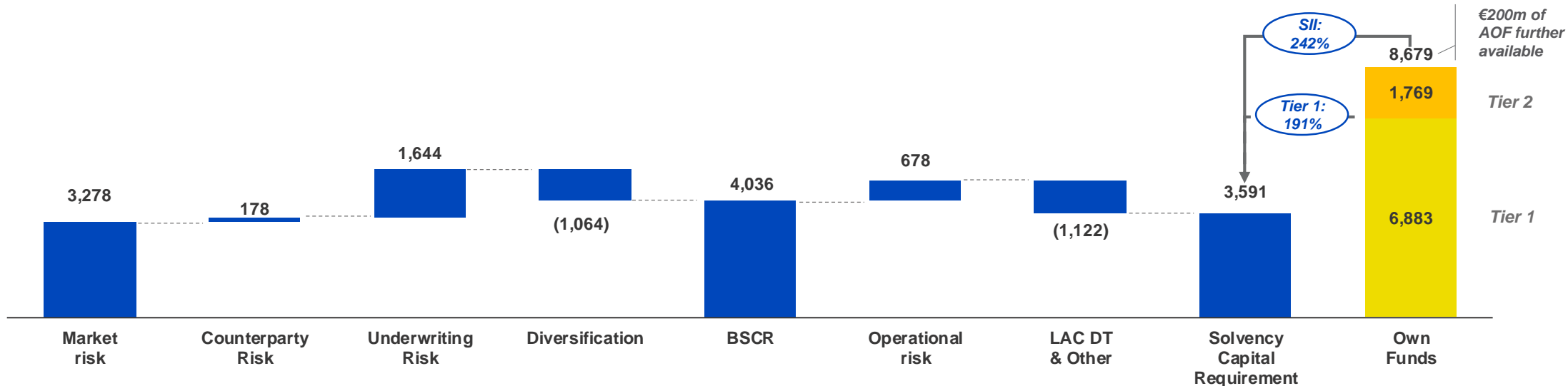


SOLVENCY II: OWN FUNDS TIERING AND SCR BREAKDOWN

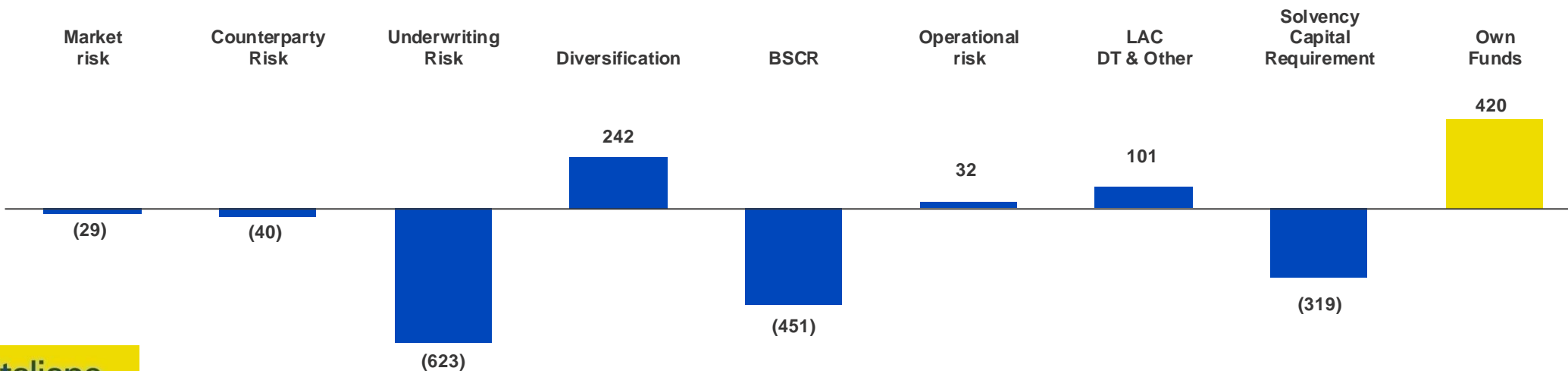
MANAGERIAL AMBITION CONFIRMED AT ~200% THROUGH THE CYCLE



SOLVENCY II CAPITAL AND SOLVENCY CAPITAL REQUIREMENT EVOLUTION (€ bn)



CHANGE VS. DEC-18 (€ bn)



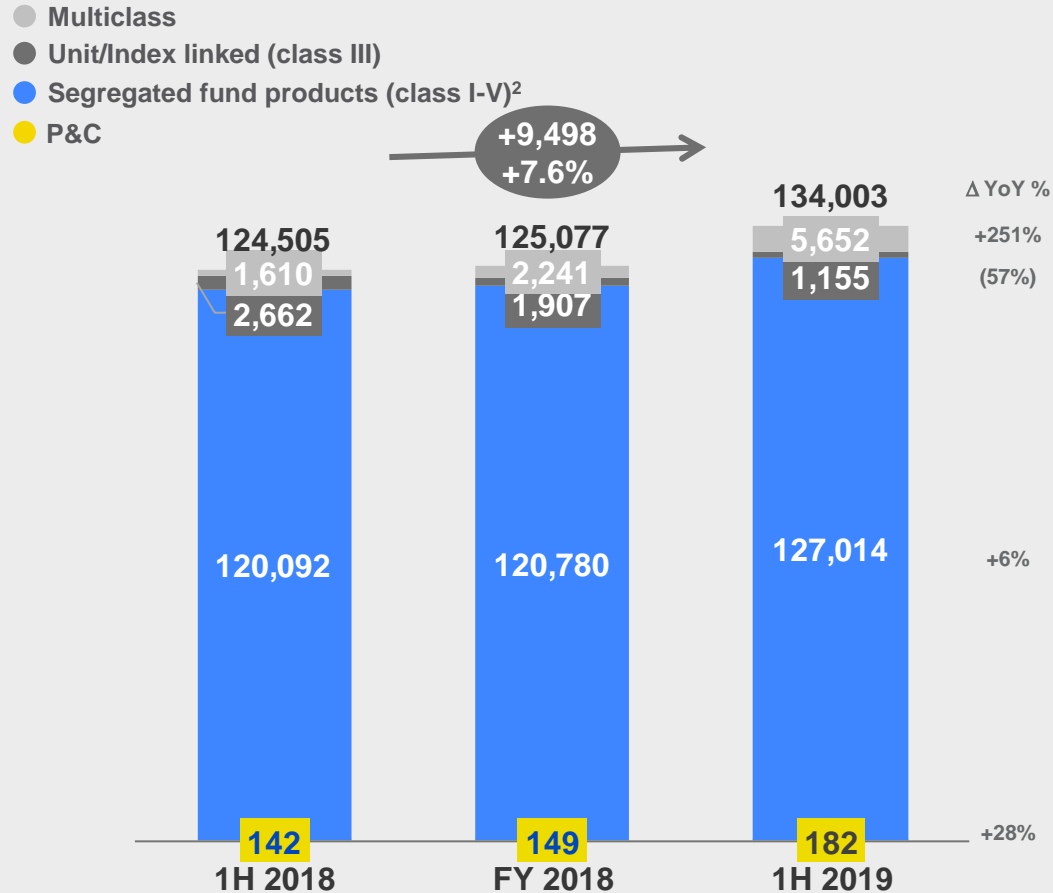
NET TECHNICAL PROVISIONS INCREASING WHILE CHANGING MIX

ONGOING DIVERSIFICATION TOWARDS CAPITAL EFFICIENT PRODUCTS

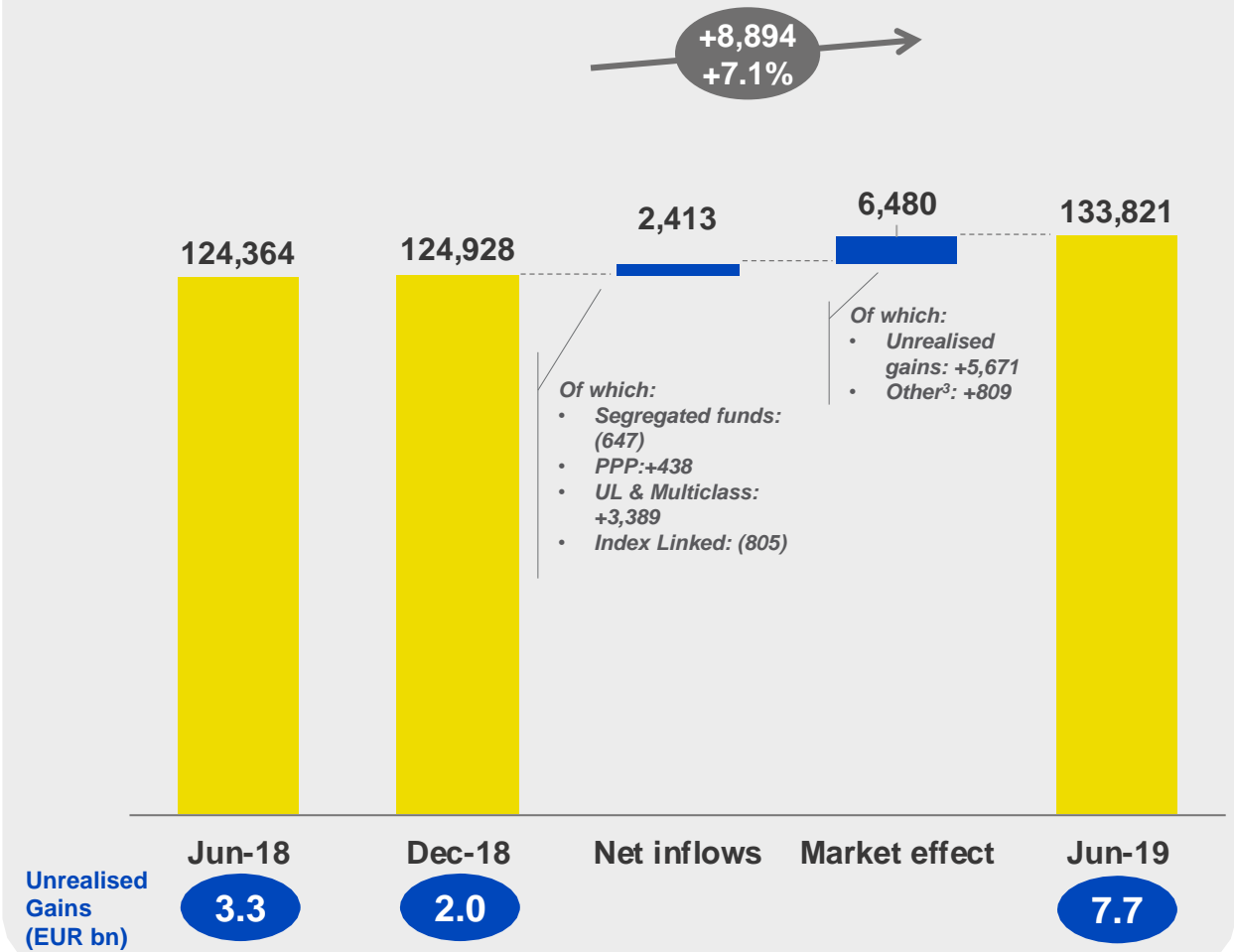


€ m unless otherwise stated

GROUP NET TECHNICAL PROVISIONS¹



LIFE NET TECHNICAL PROVISIONS EVOLUTION

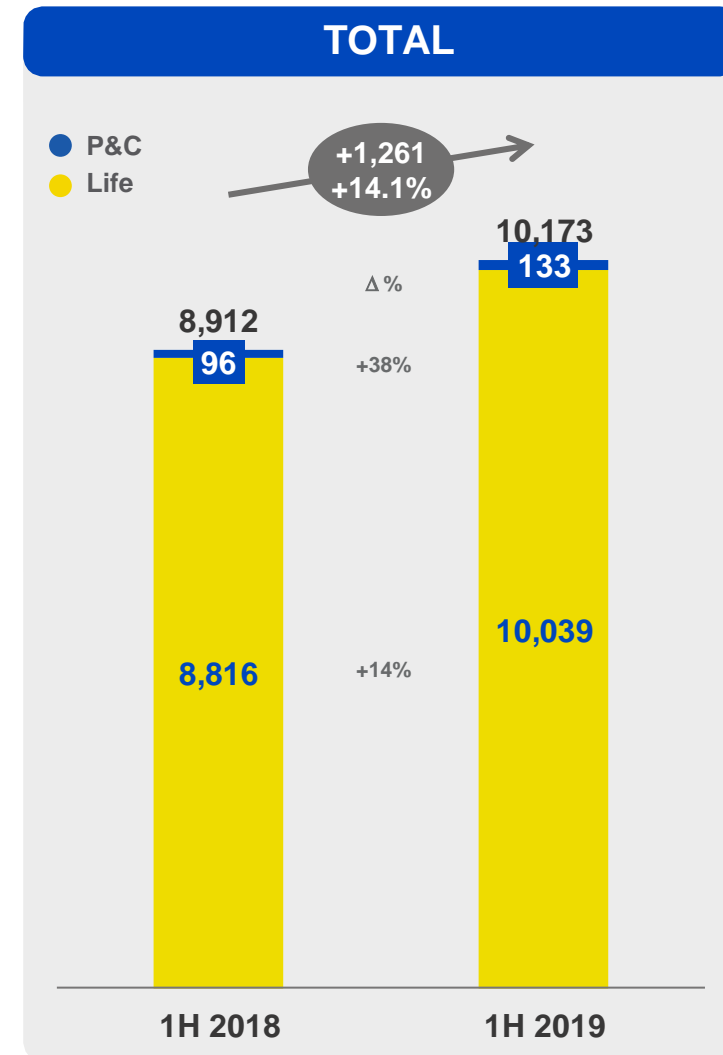
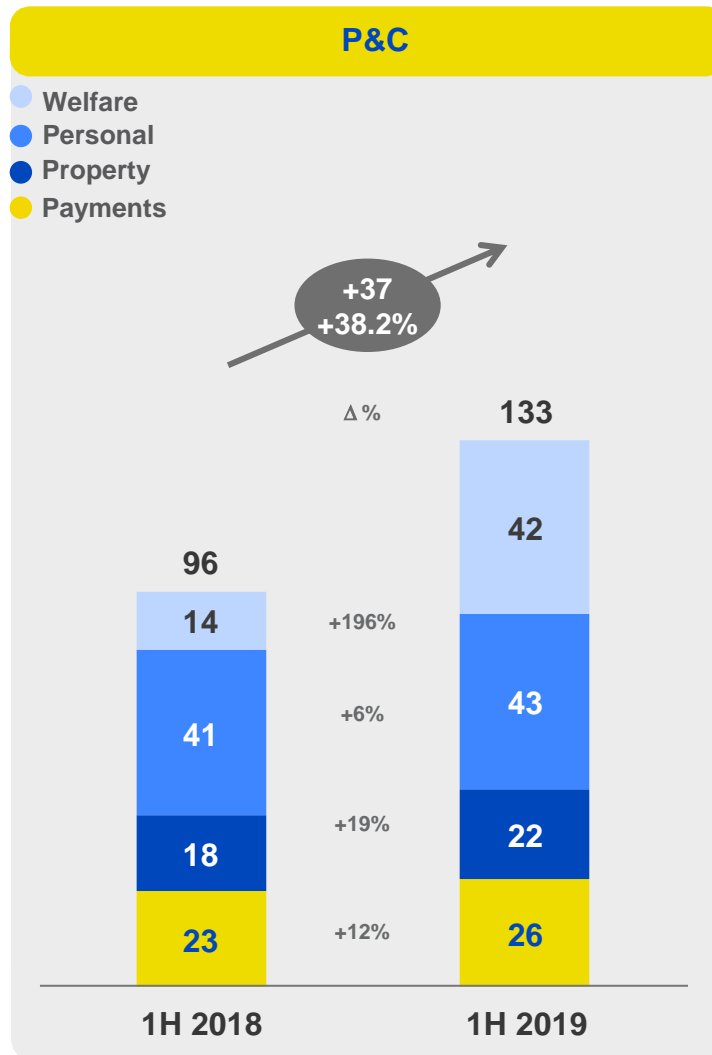
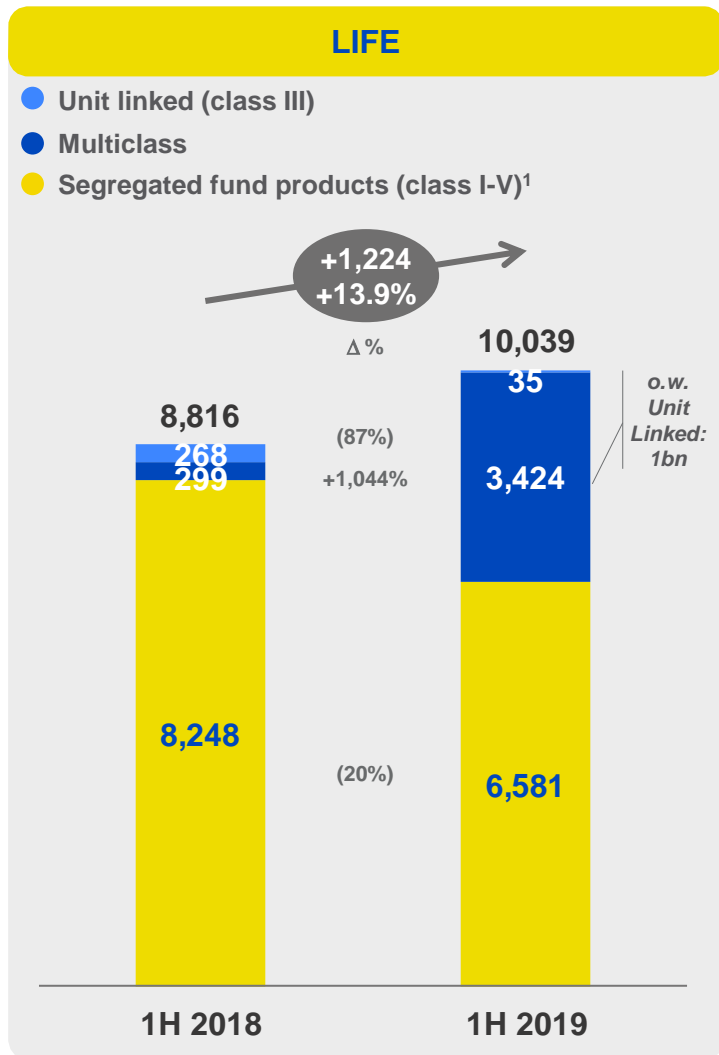


INSURANCE SERVICES: GROSS WRITTEN PREMIUM MIX IN 1H 2019

MULTICLASS AND P&C PRODUCTS AS KEY DRIVERS OF NEW PRODUCTION



€ m unless otherwise stated

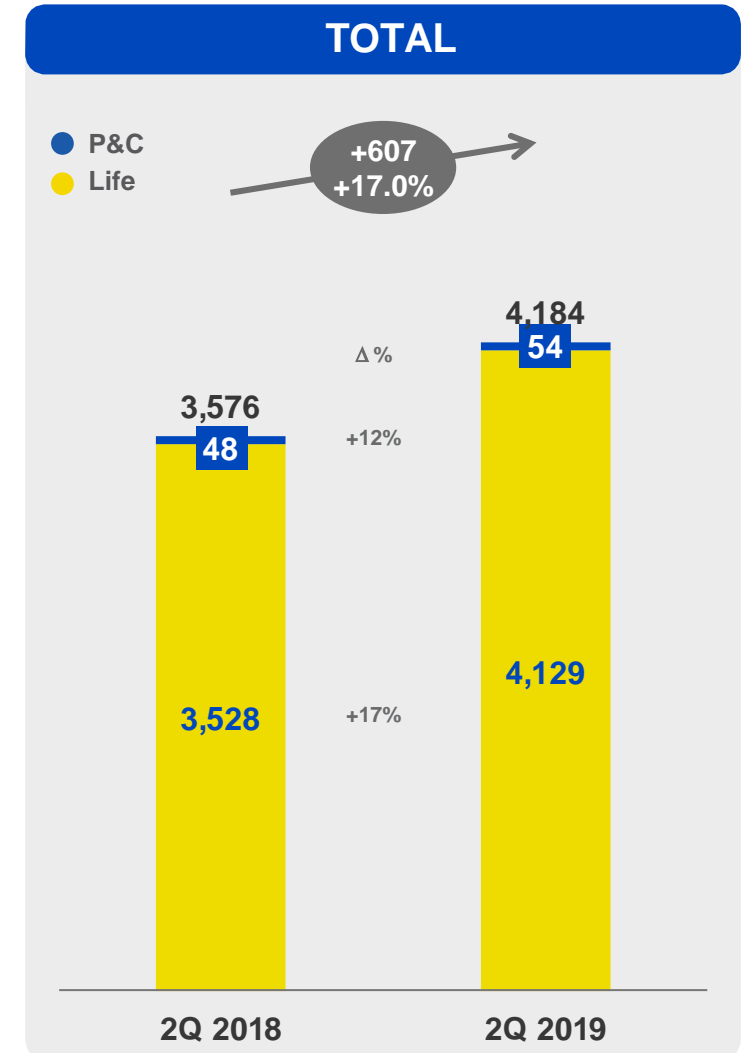
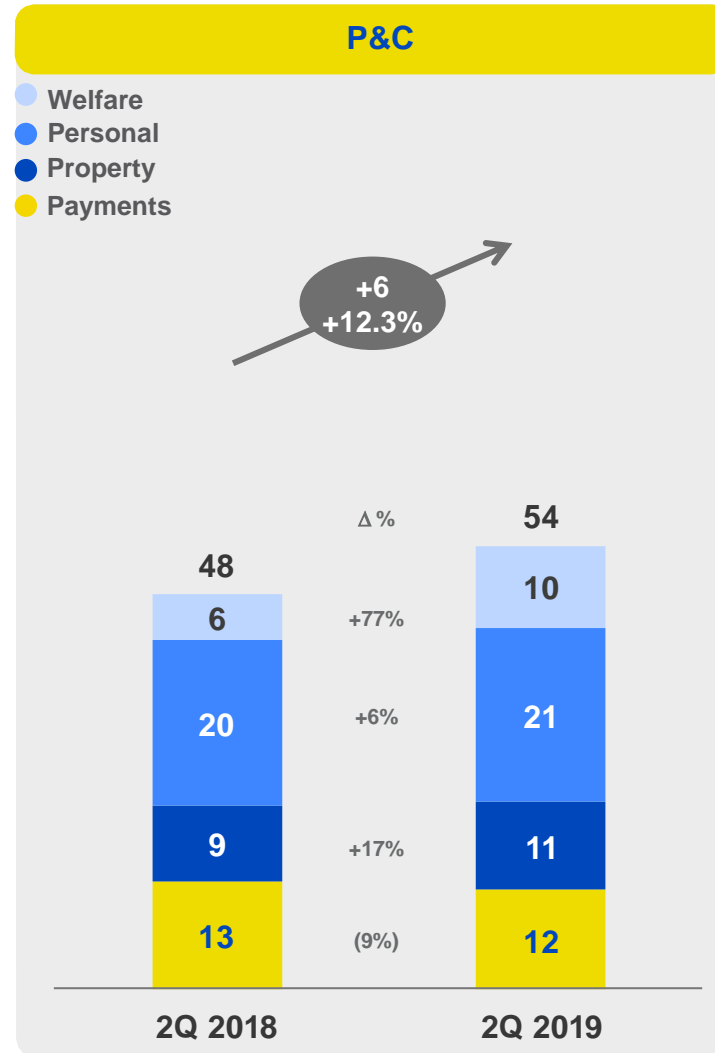
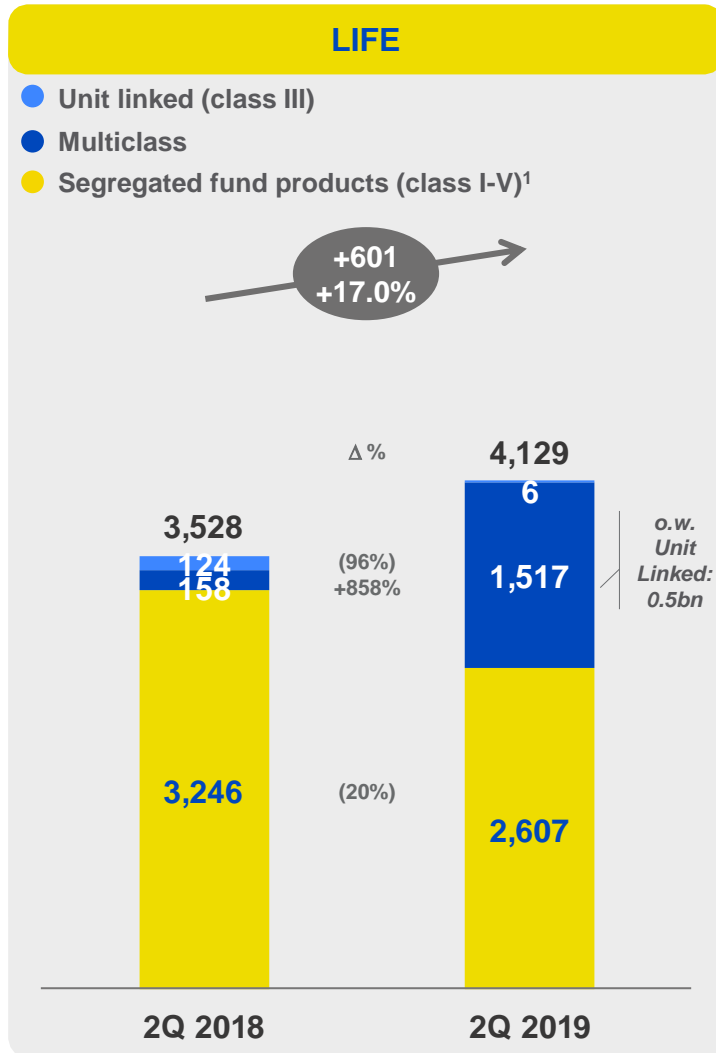


INSURANCE SERVICES: GROSS WRITTEN PREMIUM MIX IN 2Q 2019

MULTICLASS AND P&C PRODUCTS AS KEY DRIVERS OF NEW PRODUCTION



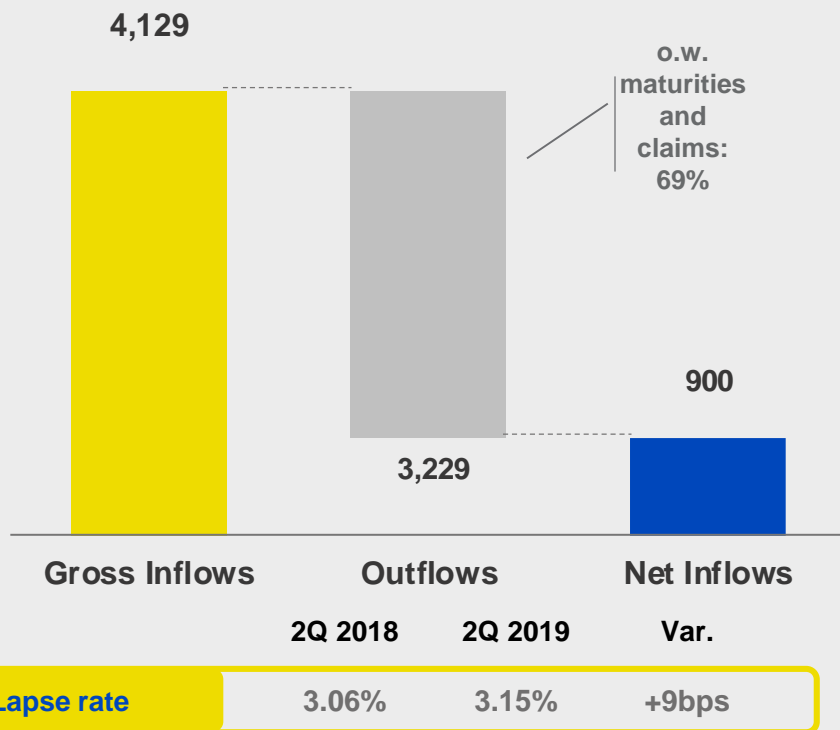
€ m unless otherwise stated





€ m unless otherwise stated

TOTAL NET INFLOWS – 2Q 2019



Unit Linked (Class III)

Gross written premiums	6
Outflows	(8)
Net Outflows	(3)

Multiclass

Gross written premiums	1,517
Outflows	33
Net Inflows	1,484

Segregated Fund Products & PPP¹

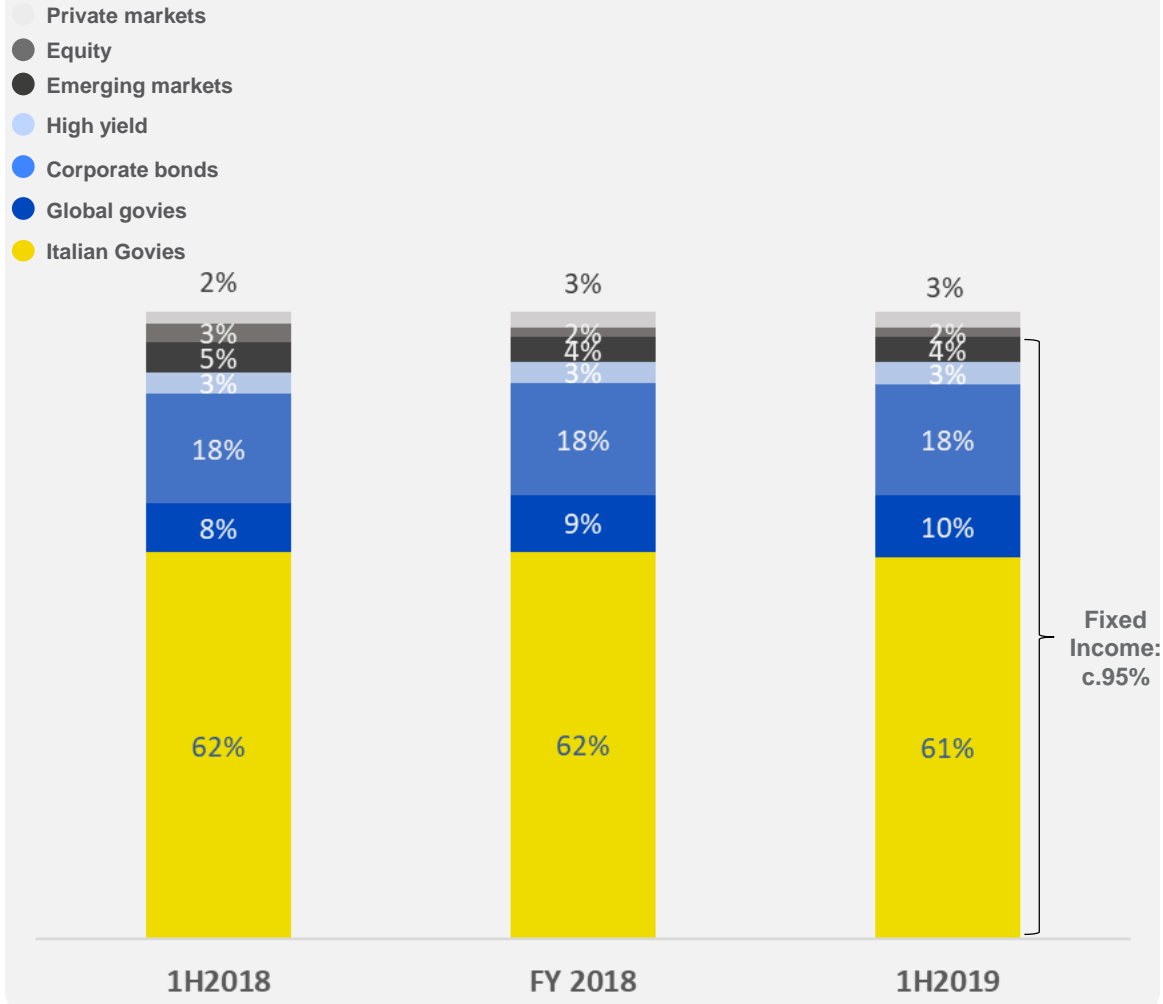
Gross written premiums	2,607
Outflows	(3,188)
Net Outflows	(581)

INSURANCE SERVICES

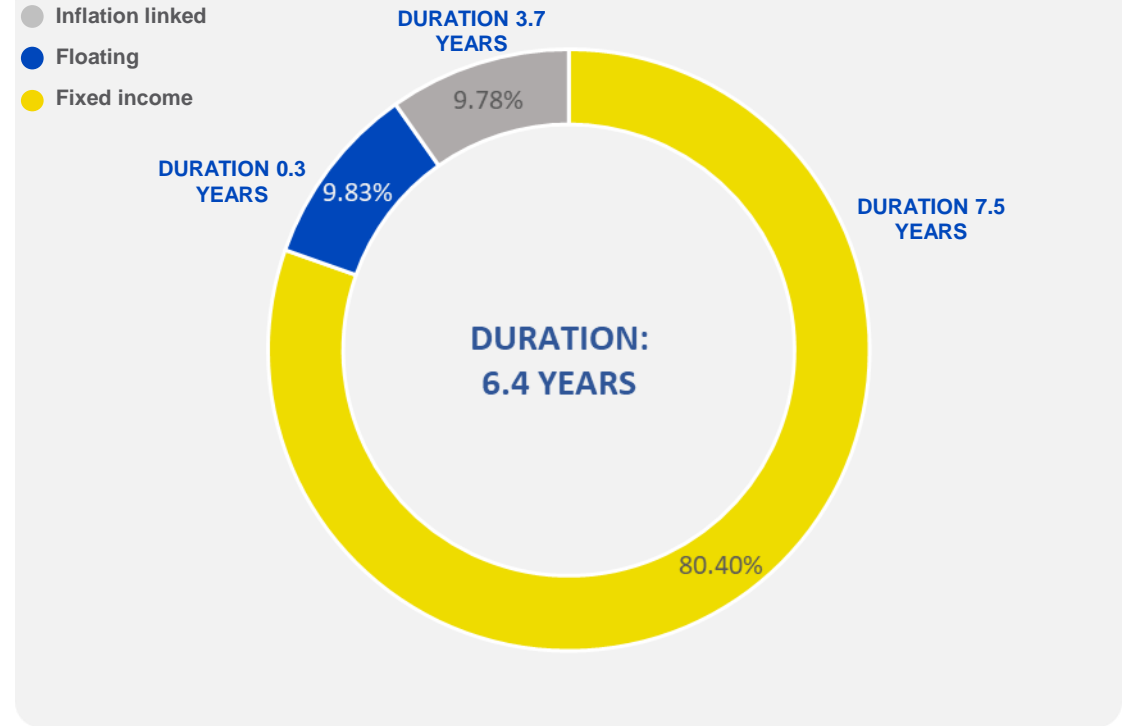
UNREALIZED CAPITAL GAINS UP TO c.7.7BN



INVESTMENT PORTFOLIO BREAKDOWN



FIXED INCOME BREAKDOWN BY RATE TYPE



	1H 2018	FY 2018	1Q 2019	1H 2019	Var. YoY
Minimum guaranteed return (Class I) (%)	0.84%	0.78%	0.75%	0.72%	(12bps)
Asset return (%)	2.76%	2.82%	1.92%	2.36%	(40bps)

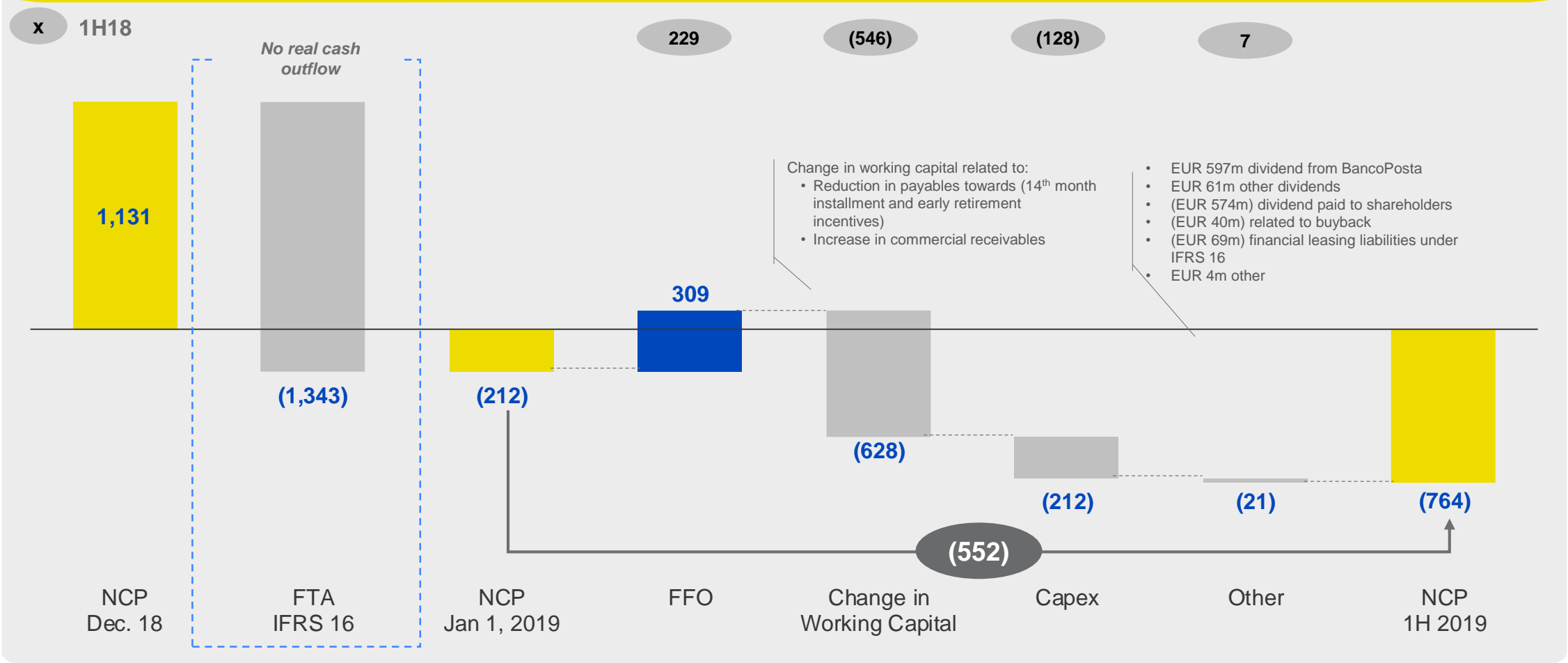
MAIL, PARCEL & DISTRIBUTION NET CASH POSITION

SOLID CASH POSITION IMPACTED BY THE FIRST TIME ADOPTION OF IFRS 16







€ m unless otherwise stated

NET CASH POSITION (+ Cash - Debt)



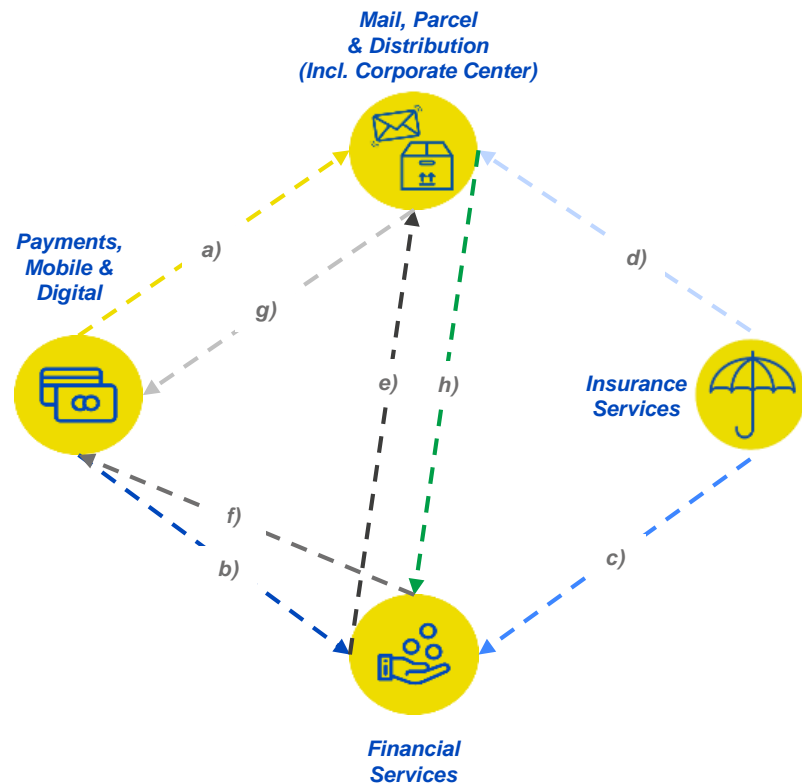
GROUP PERFORMANCE

MAIN KPI'S

OPERATIONAL KPI's		2Q 2018	2Q 2019	Δ%	1H 2018	1H 2019	Δ%
 MAIL PARCELS & DISTRIBUTION	Mail Volumes (#m)	749	690	-8%	1,554	1,407	-9%
	Parcels delivered by mailmen (#m)	9	11	22%	19	24	22%
	Parcel volumes (#m)	29	34	16%	58	68	18%
	B2C Revenues (€m)	66	81	23%	129	167	29%
 PAYMENTS, MOBILE & DIGITAL	PostePay cards (#m)				18.6	19.7	6%
	<i>of which PostePay Evolution cards (#m)</i>				5.5	6.9	27%
	Total payment cards transactions (#bn)				0.51	0.68	32%
	<i>of which eCommerce transactions (#m)</i>				93.2	108.8	17%
	Mobile & land-line (#m)				4.1	4.4	7%
Digital e-Wallets (#m)				2.2	3.4	55%	
 FINANCIAL SERVICES	Total Financial Assets - TFAs (€/bn)				513	530	3%
	Product Sales (#m)				4.2	4.2	0%
	Unrealized gains (€m)				-1,291	-1,889	-46%
 INSURANCE SERVICES	Gross Written Premiums (€m)	3,576	4,184	17%	8,912	10,173	14%
	GWP – Life (€m)	3,290	3,903	19%	8,305	9,540	15%
	GWP – Private Pension Plan (€m)	238	227	-5%	510	499	-2%
	GWP – P&C (€m)	48	54	12%	96	133	38%

INTERSEGMENT COSTS AS OF 1H 2019

INTERSEGMENT COST FLOWS



MAIN RATIONALE

- **Payments, Mobile and Digital remunerates:**
 - a) **Mail, Parcel and Distribution** for providing IT and other corporates services¹
 - b) **Financial Services** for promoting and selling payment and other products (e.g. Telecom) throughout the network
- **Insurance Services remunerates:**
 - c) **Financial Services** for promoting and selling insurance products² and for investment management services³
 - d) **Mail, Parcel and Distribution** for providing corporate services¹
- **Financial Services remunerates:**
 - e) **Mail, Parcel and Distribution** for promoting and selling Financial, Insurance and PMD products throughout the network and for proving corporate services⁴
 - f) **Payments, Mobile and Digital** for providing certain payment services⁵
- **Mail, Parcel and Distribution remunerates:**
 - g) **Payments, Mobile and Digital** for corporate telecommunication services and postman electronic devices
 - h) **Financial Services** as distribution fees related to «Bollettino DTT»

INDICATIVE REMUNERATION SCHEME

- a) Number of payment transactions x flat fee (depending on the product)
- b) Fixed % of revenues
- c) Fixed % of upfront fees and managed assets
- d) Depending on service/product
- e) Fixed % (depending on the product) of revenues
- f) Depending on service/product
- g) Annual fee
- h) Flat fee for each «Bollettino»

CONSOLIDATED ACCOUNTS

PROFIT & LOSS

€m	2Q 2018	2Q 2019	Var.	Var.%	1H 2018	1H 2019	Var.	Var.%
Total revenues	2,546	2,679	134	5%	5,430	5,521	92	2%
of which:								
Mail, Parcel and Distribution	862	875	13	2%	1,761	1,755	-5	0%
Payments, Mobile and Digital	150	167	17	11%	280	306	26	9%
Financial Services	1,173	1,180	7	1%	2,704	2,665	-40	-1%
Insurance Services	361	458	97	27%	685	795	111	16%
Total costs	2,196	2,216	20	1%	4,377	4,441	64	1%
of which:								
Total personnel expenses	1,416	1,395	-20	-1%	2,846	2,833	-13	0%
<i>of which personnel expenses</i>	<i>1,402</i>	<i>1,390</i>	<i>-13</i>	<i>-1%</i>	<i>2,826</i>	<i>2,824</i>	<i>-2</i>	<i>0%</i>
<i>of which early retirement incentives</i>	<i>13</i>	<i>6</i>	<i>-8</i>	<i>-57%</i>	<i>19</i>	<i>9</i>	<i>-11</i>	<i>-55%</i>
Other operating costs	640	628	-12	-2%	1,259	1,227	-33	-3%
Depreciation, amortisation and impairments	140	193	53	38%	272	381	109	40%
EBIT	350	464	114	32%	1,053	1,081	28	3%
EBIT Margin	14%	17%			19%	20%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	14	12	-2	-14%	22	18	-4	-17%
Profit before tax	364	476	112	31%	1,075	1,099	24	2%
Income tax expense	114	151	37	32%	340	336	-4	-1%
Profit for the period	250	324	75	30%	735	763	28	4%

MAIL, PARCEL & DISTRIBUTION

PROFIT & LOSS



€m	2Q 2018	2Q 2019	Var.	Var.%	1H 2018	1H 2019	Var.	Var.%
Segment revenue	862	875	13	2%	1761	1755	-5	0%
Intersegment revenue	1,086	1,122	36	3%	2,456	2,453	-3	0%
Total revenues	1,948	1,997	49	3%	4,216	4,208	-8	0%
Personnel expenses	1,370	1,368	-2	0%	2,760	2,775	15	1%
<i>of which personnel expenses</i>	1,363	1,362	-1	0%	2,749	2,767	18	1%
<i>of which early retirement incentives</i>	7	6	-1	-17%	11	8	-3	-30%
Other operating costs	510	499	-11	-2%	987	959	-28	-3%
Intersegment costs	18	17	-1	-7%	34	37	3	10%
Total costs	1,898	1,884	-14	-1%	3,781	3,770	-10	0%
EBITDA	50	114	63	126%	436	438	2	0%
Depreciation, amortisation and impairments	130	181	51	39%	252	357	104	41%
EBIT	-79	-67	13	16%	184	81	-103	-56%
EBIT MARGIN	-4.1%	-3.4%			4.4%	1.9%		
Finance income/(costs)	-6	2	8	133%	-14	4	18	131%
Profit/(Loss) before tax	-85	-65	20	24%	170	85	-84	-50%
Income tax expense	-25	-14	11	44%	56	35	-21	-37%
Profit for the period	-60	-51	9	15%	114	50	-64	-56%

PAYMENTS, MOBILE & DIGITAL

PROFIT & LOSS



€m	2Q 2018	2Q 2019	Var.	Var. %	1H 2018	1H 2019	Var.	Var. %
Segment revenue	150	167	17	11%	280	306	26	9%
Intersegment revenue	91	94	3	4%	180	190	10	5.6%
Total revenues	241	261	20	8%	460	496	36	8%
Personnel expenses	8	6	-1	-17%	16	15	0	-3%
<i>of which personnel expenses</i>	8	6	-1	-17%	16	15	0	-3%
<i>of which early retirement incentives</i>	0	0	0	<i>n.m.</i>	0	0	0	<i>n.m.</i>
Other operating costs	74	62	-12	-16%	140	135	-5	-4%
Intersegment costs	109	132	23	21%	192	223	30	16%
Total costs	191	200	9	5%	348	372	25	7%
EBITDA	50	61	11	22%	112	124	12	10%
Depreciation, amortisation and impairments	6	7	1	18%	12	13	2	15%
EBIT	44	54	10	22%	101	111	10	10%
EBIT MARGIN	18%	21%			22%	22%		
Finance income/(costs)	-1	2	3	347%	0	4	4	<i>n.m.</i>
Profit/(Loss) before tax	43	56	13	30%	101	115	14	13%
Income tax expense	9	15	6	67%	25	32	7	28%
Profit for the period	34	41	7	20%	76	83	7	9%



€m	2Q 2018	2Q 2019	Var.	Var. %	1H 2018	1H 2019	Var.	Var. %
Segment revenue	1,173	1,180	7	1%	2,704	2,665	-40	-1%
Intersegment revenue	156	179	23	15%	338	372	34	10%
Total revenues	1,329	1,359	30	2%	3,043	3,037	-6	0%
Personnel expenses	28	10	-18	-64%	50	22	-28	-56%
<i>of which personnel expenses</i>	22	10	-12	-54%	43	21	-22	-50%
<i>of which early retirement incentives</i>	6	0	-6	-98%	7	1	-7	-90%
Other operating costs	38	48	10	26%	93	91	-1	-1%
Depreciation, amortisation and impairments	0	0	0	107%	0	0	0	90%
Intersegment costs	1,094	1,127	33	3%	2,492	2,488	-3	0%
Total costs	1,159	1,185	26	2%	2,635	2,602	-33	-1%
EBIT	169	174	4	3%	408	435	27	7%
EBIT MARGIN	13%	13%	0	0%	13%	14%		
Finance income/(costs)	4	(4)	-7	-204%	6	(2)	-9	<i>n.m.</i>
Profit/(Loss) before tax	173	170	-3	-2%	414	432	18	4%
Income tax expense	53	55	2	4%	121	128	7	5%
Profit for the period	120	114	-5	-4%	293	305	11	4%

INSURANCE SERVICES

PROFIT & LOSS



€m	2Q 2018	2Q 2019	Var.	Var.%	1H 2018	1H 2019	Var.	Var.%
Segment revenue	361	458	97	27%	685	795	111	16%
Intersegment revenue	1	0	-1	-98%	1	0	-1	-69%
Total revenues	362	458	96	27%	685	796	110	16%
Personnel expenses	10	10	0	2%	20	20	1	3%
<i>of which personnel expenses</i>	9	10	1	8%	19	20	1	6%
<i>of which early retirement incentives</i>	1	0	-1	-100%	1	0	-1	-100%
Other operating costs	20	20	1	3%	41	43	2	4%
Depreciation, amortisation and impairments	4	6	2	42%	8	11	4	44%
Intersegment costs	112	118	7	6%	256	267	10	4%
Total costs	145	155	9	6%	325	341	16	5%
EBIT	216	303	87	40%	360	454	94	26%
EBIT MARGIN	60%	66%			53%	57%		
Finance income/(costs)	17	12	-6	-33%	29	12	-17	-59%
Profit/(Loss) before tax	234	315	81	35%	390	466	77	20%
Income tax expense	77	95	18	23%	138	141	3	2%
Profit for the period	156	220	64	41%	251	325	74	29%

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These forward-looking statements are made as of the date of this presentation and are based on current expectations, reasonable assumptions and projections about future events and are therefore subject to risks and uncertainties. Actual future results and performance may indeed differ materially from what expressed or implied in this presentation, due to any number of different factors, many of which are beyond the ability of Poste Italiane to foresee, control or precisely estimate, including, but not limited to, changes in the legislative and regulatory framework, market developments and price fluctuations.

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This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements.

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