



1H 2017 Results

2 August 2017

OPENING REMARKS

(€m)

Key Numbers

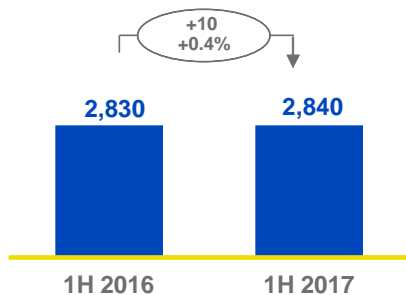
	1H 2016	1H 2017	Var. €m	Var. %
Revenues	17,682	18,029	347	2%
EBIT	843	847	4	0.5%
Net Profit	565	510	-55	-10%

1H 2017: FIGURES HIGHLIGHTS

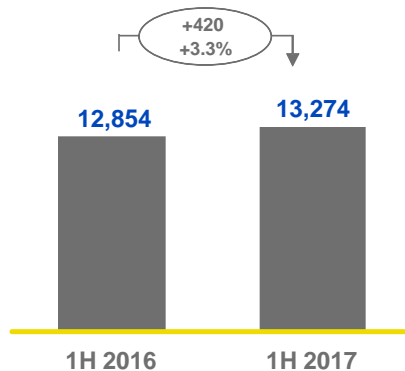
(€m)

REVENUES¹

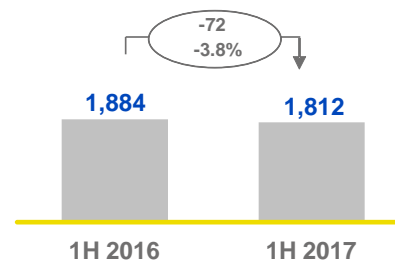
FINANCIAL SERVICES



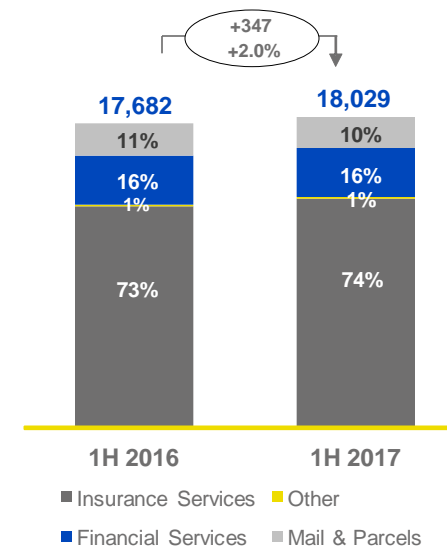
INSURANCE & ASSET MANAGEMENT



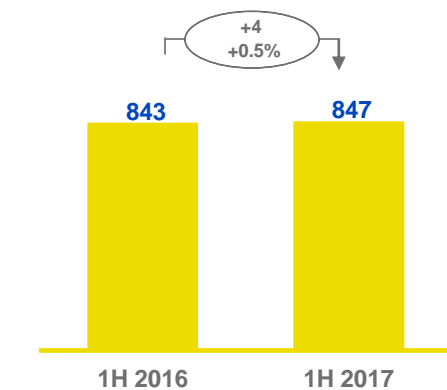
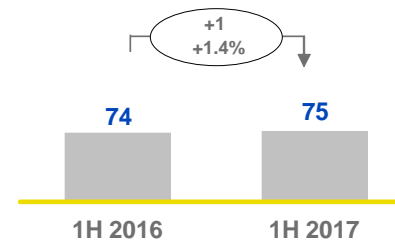
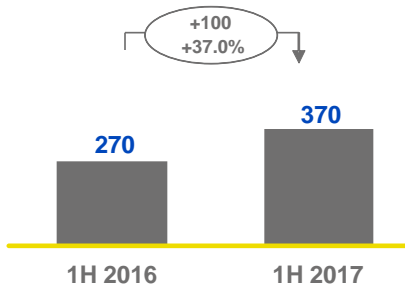
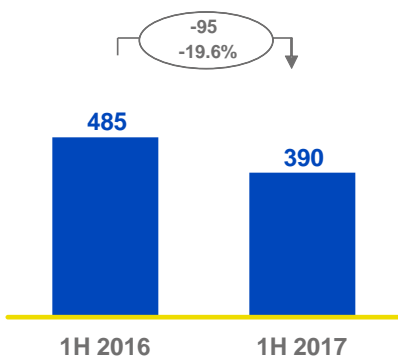
MAIL & PARCELS



POSTE ITALIANE GROUP²



EBIT



1. Net of intersegment revenues

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

TOTAL ASSETS UNDER MANAGEMENT/ADMINISTRATION

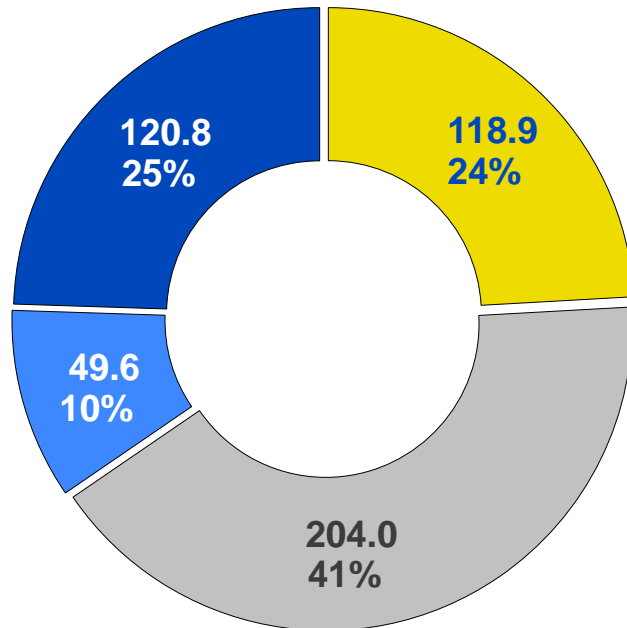
(€bn)

FY 2016

1H 2017

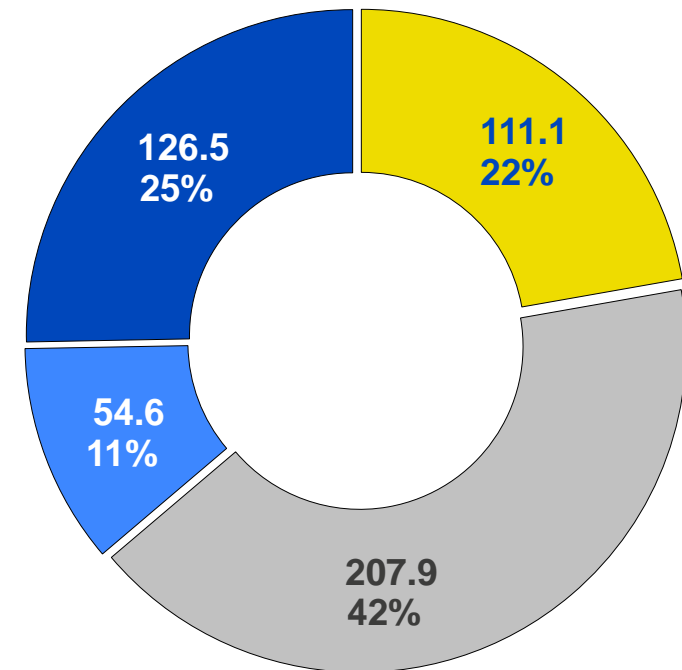
+7
+1.4%

493 €bn



- Postal Saving Books
- Postal Bonds
- Average Deposits
- Funds and Net Technical Reserves

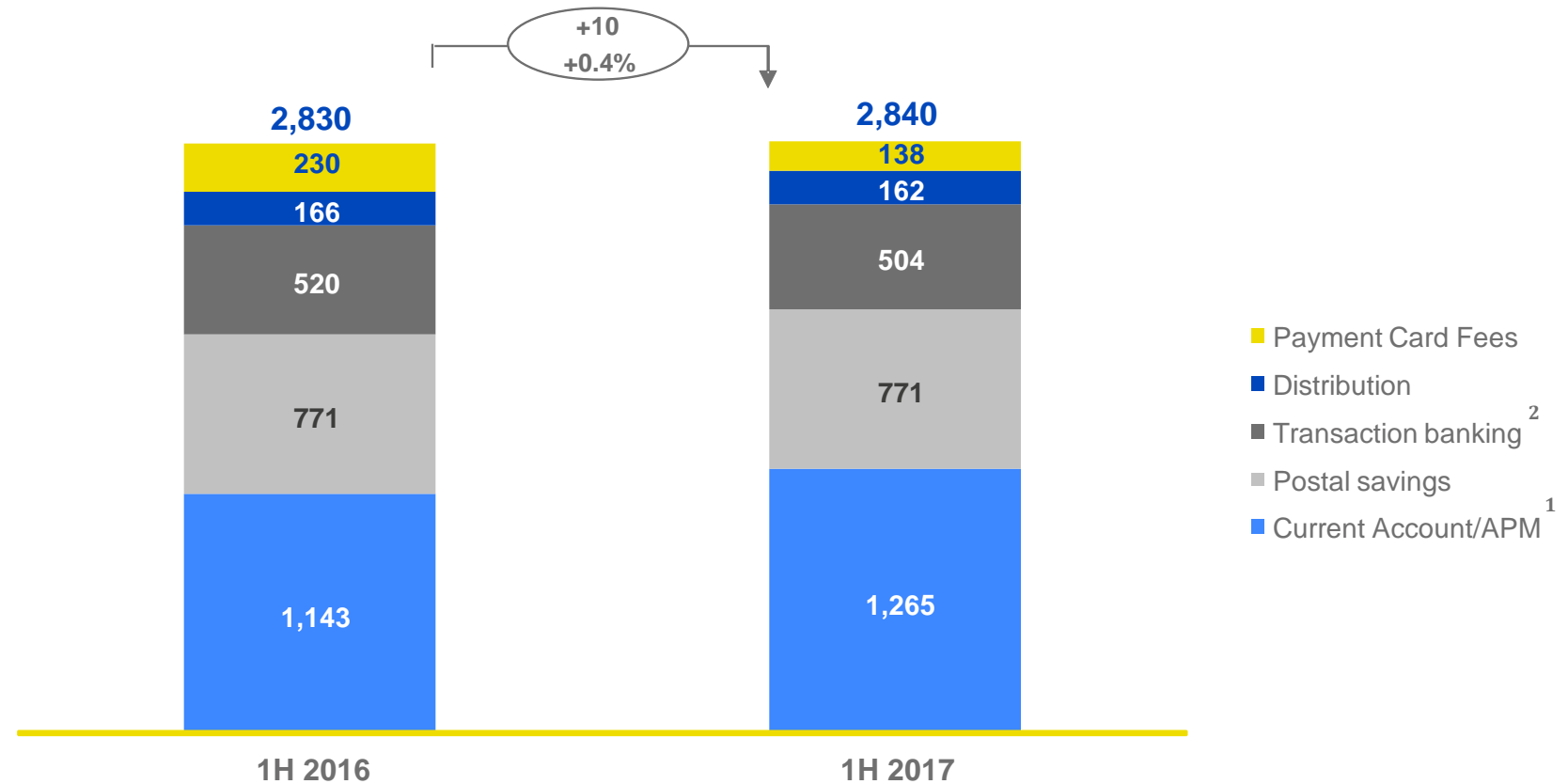
500 €bn



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)

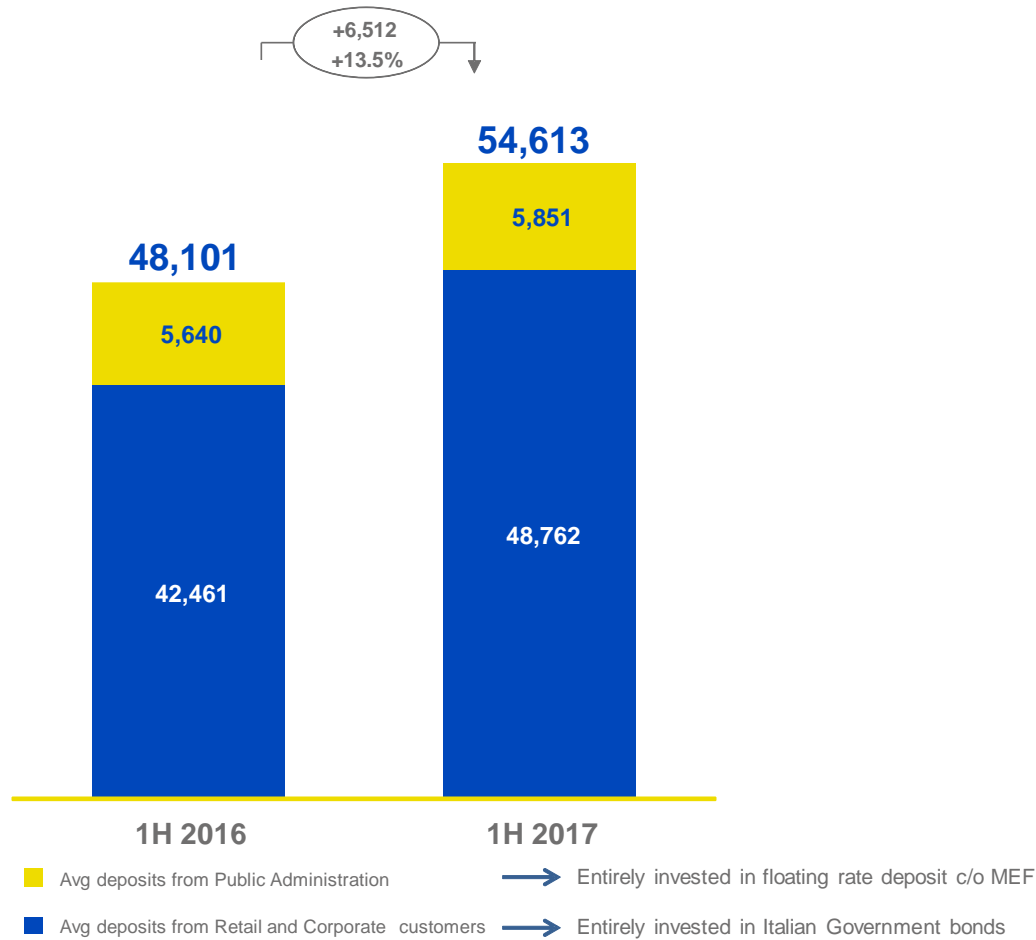
	1H 2017	Rationale
	1H 2017 vs 1H 2016 (var.%)	
Return on Current Account Deposits	1,265 +10.7%	Increase mainly due to higher capital gains and average deposits
Fees from Postal Savings Collection	771 +0.1%	Substantially stable
Fees from Transaction Banking	504 -3.1%	Reduction mostly attributable to lower revenues from payments slips
Distribution Fees	162 -2.4%	Lower revenues from Banca del Mezzogiorno and other distribution fees, partially offset by a better performance on personal loans
Payment Card Fees	138 -40.0%	Lower revenues due to the one-off capital gain from VISA Europe booked in the 1H2016. However we recorded higher revenues both from Postepay, above-all Postepay Evolution, and debt cards
Total Revenues	2,840 +0.4%	

FOCUS ON FINANCIAL SERVICES (3/3)

ACTIVE PORTFOLIO MANAGEMENT

(€m)

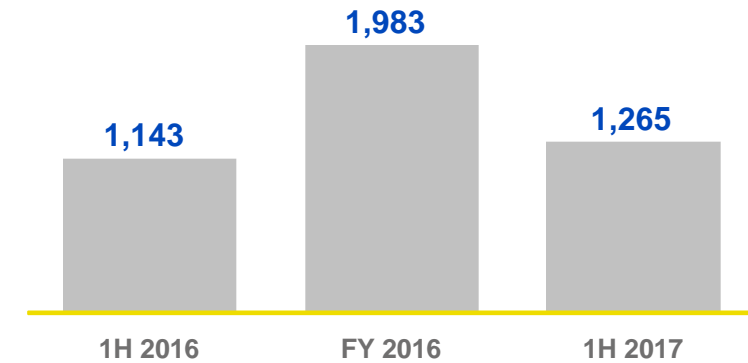
AVERAGE DEPOSITS¹



ACTIVE PORTFOLIO MANAGEMENT²

	1H 2016	FY 2016	1H 2017
Average return (%) ³	3.97%	4.00%	3.67%
Unrealized gains (€m)	4,179	2,881	1,424
Portfolio duration (years)	5.5	5.5	5.3

RETURN ON CURRENT ACCOUNT DEPOSITS



1. Including current accounts, time deposits and repurchase agreements
2. Including interest income and realized capital gains
3. Average yield calculated as interest income and realized capital gains on total financial assets (1H2016 and 1H2017 pro rata temporis)

BANCOPOSTA REGULATORY FRAMEWORK AND CAPITAL POSITION

(€m)

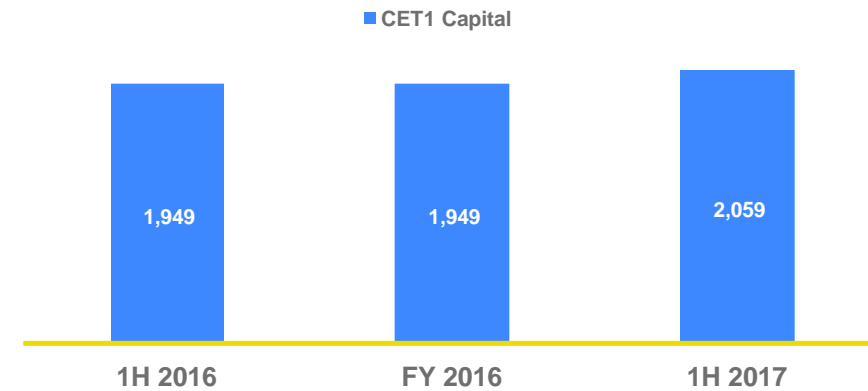
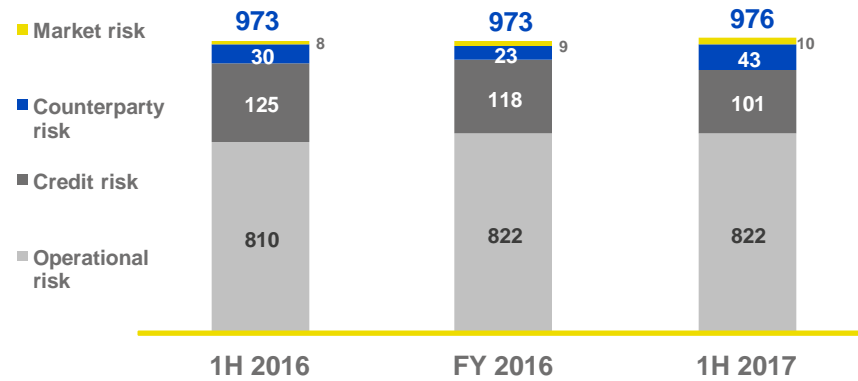
CAPITAL REQUIREMENTS



CAPITAL POSITION



CAPITAL CHARGE



CET1 ratio¹ up to 16.9% (9.25% min. regulatory constraint)

Increasing leverage ratio² due to BancoPosta's re-capitalization (1H17 @ 3.1%)

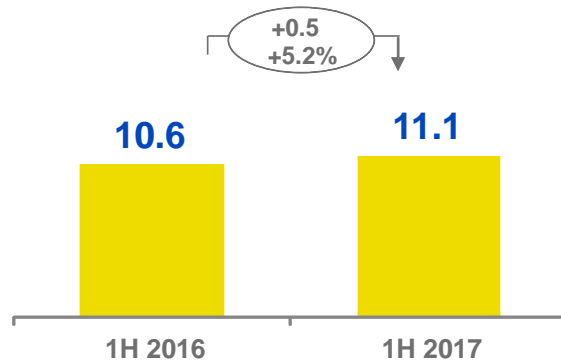
ROE³ @ 27%

1. Min. CET1 ratio required to distribute earnings will increase to 10.50% from January 1, 2019
 2. Min. leverage ratio required to distribute earnings is 3%
 3. ROE defined as net earnings/CET1 capital (excluding valuation reserves)

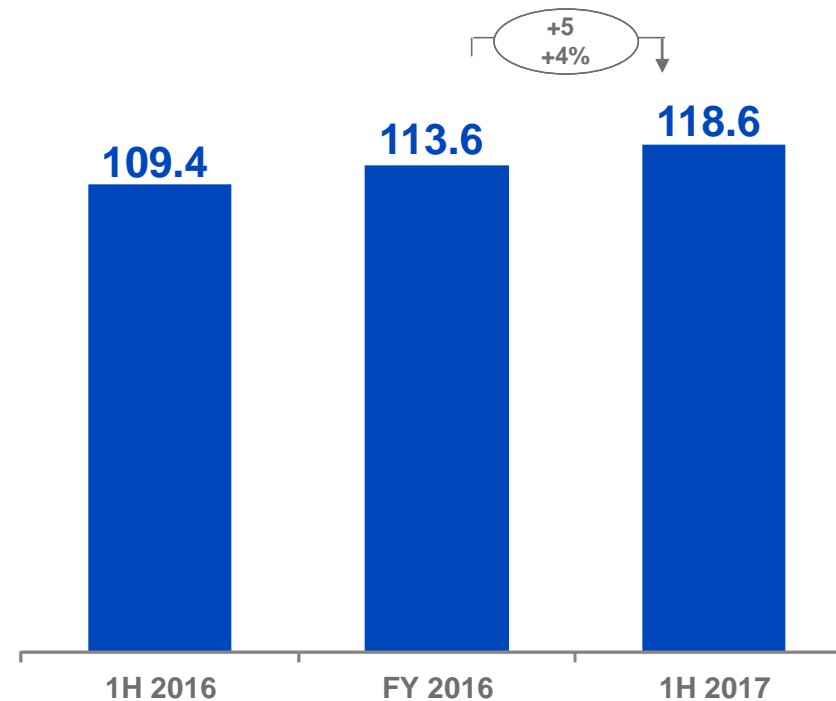
FOCUS ON INSURANCE & ASSET MANAGEMENT (1/2)

GROUP GWP AND TECHNICAL RESERVES EVOLUTION

GROUP GWP EVOLUTION (€bn)

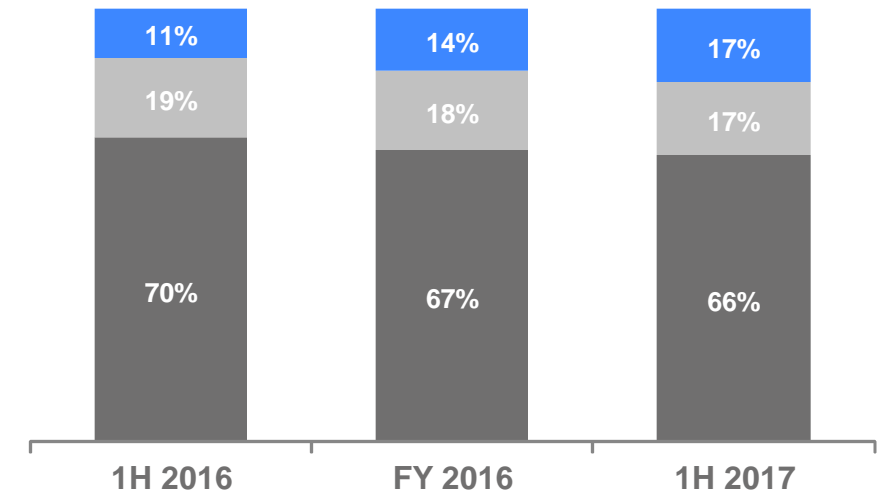


GROUP NET TECHNICAL RESERVES EVOLUTION (€bn)¹



INVESTMENT PORTFOLIO BREAKDOWN

Category	1H 2016	FY 2016	1H 2017
Life guaranteed (Ramo I) investment mix	<ul style="list-style-type: none"> ✓ Avg, portfolio rating: BBB ✓ Avg, investment portfolio duration: ~6 years 		
Unrealized gains (€m)	12,156	9,540	7,880



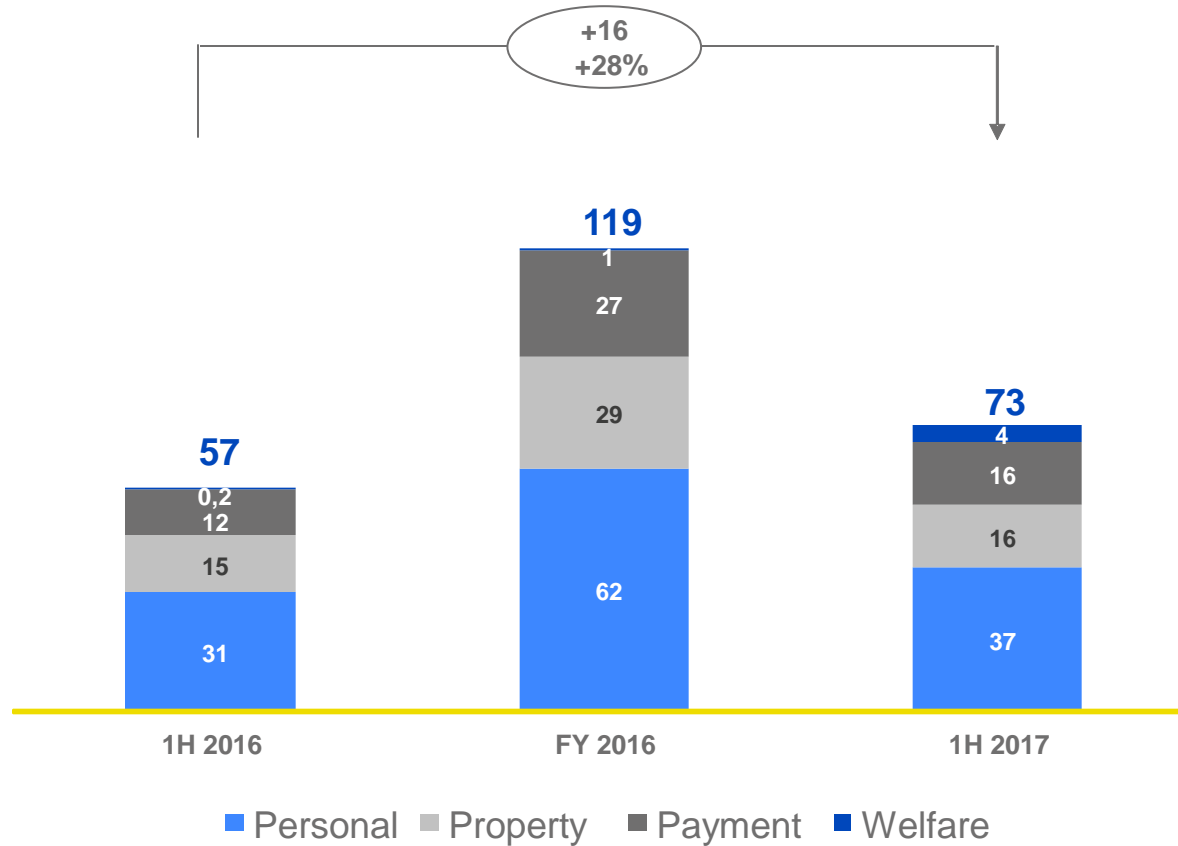
1. Including non-life technical reserves and net of re-insurance reserves

■ Govies ■ Corporate Bonds ■ Multiassets Funds

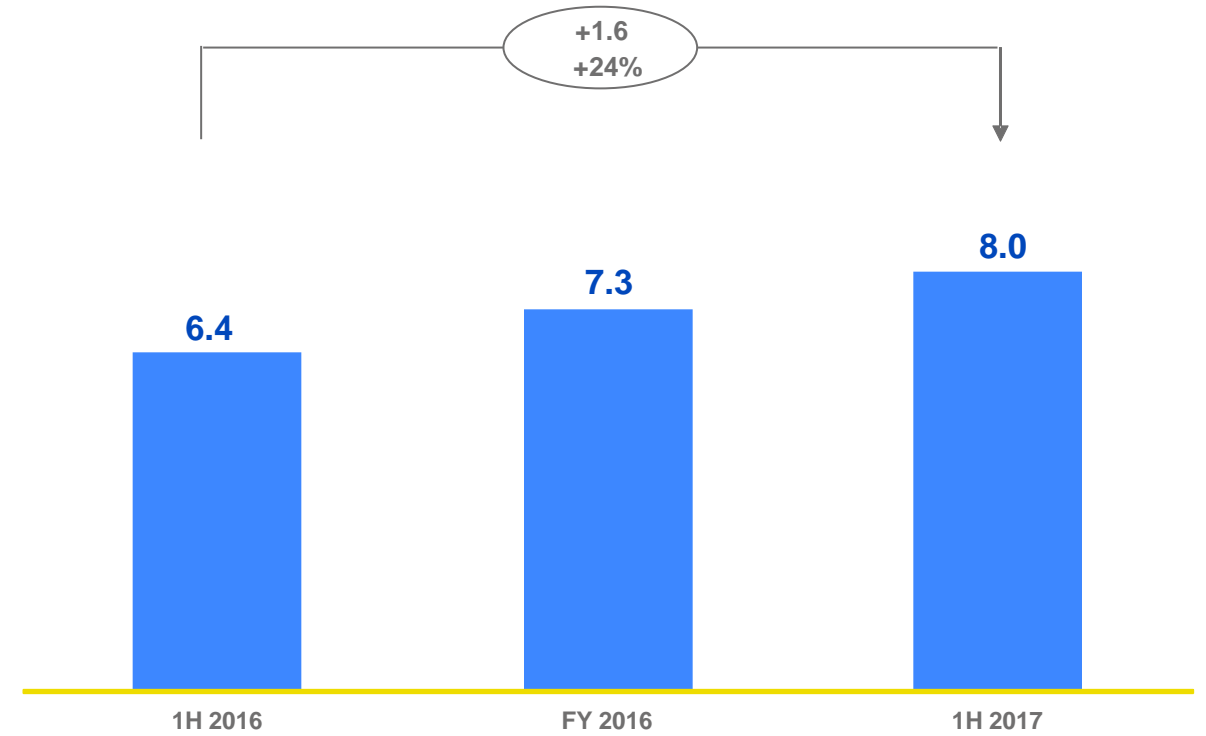
FOCUS ON INSURANCE & ASSET MANAGEMENT (2/2)

NON-LIFE BUSINESS AND ASSET MANAGEMENT

NON LIFE GWP (€m)



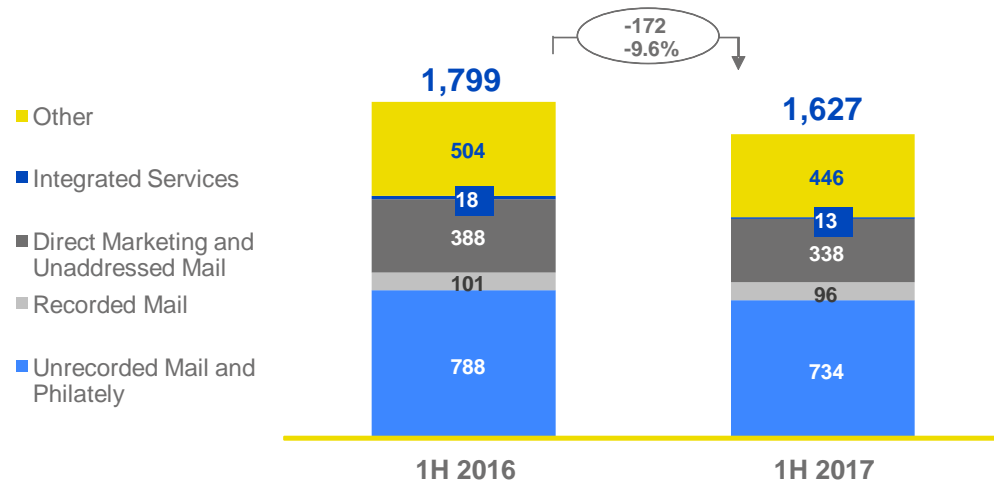
RETAIL AuM (€bn)



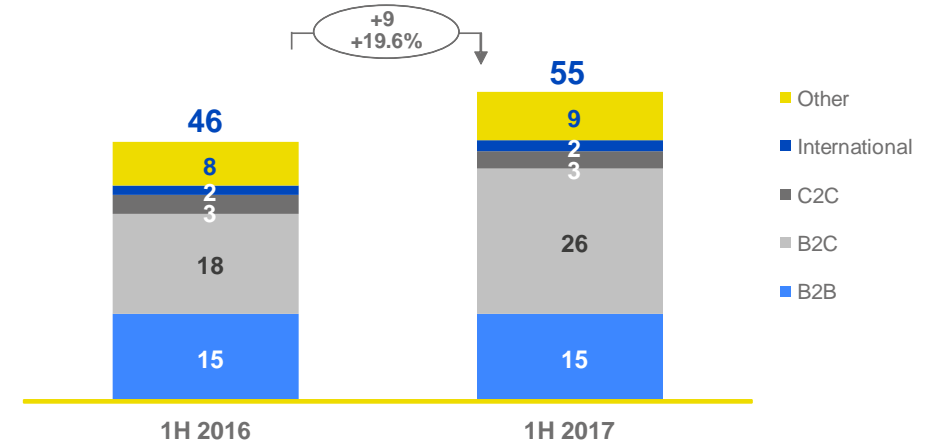
FOCUS ON MAIL & PARCELS (1/2)

VOLUMES EVOLUTION

VOLUMES - MAIL (m)



VOLUMES - PARCELS (m)

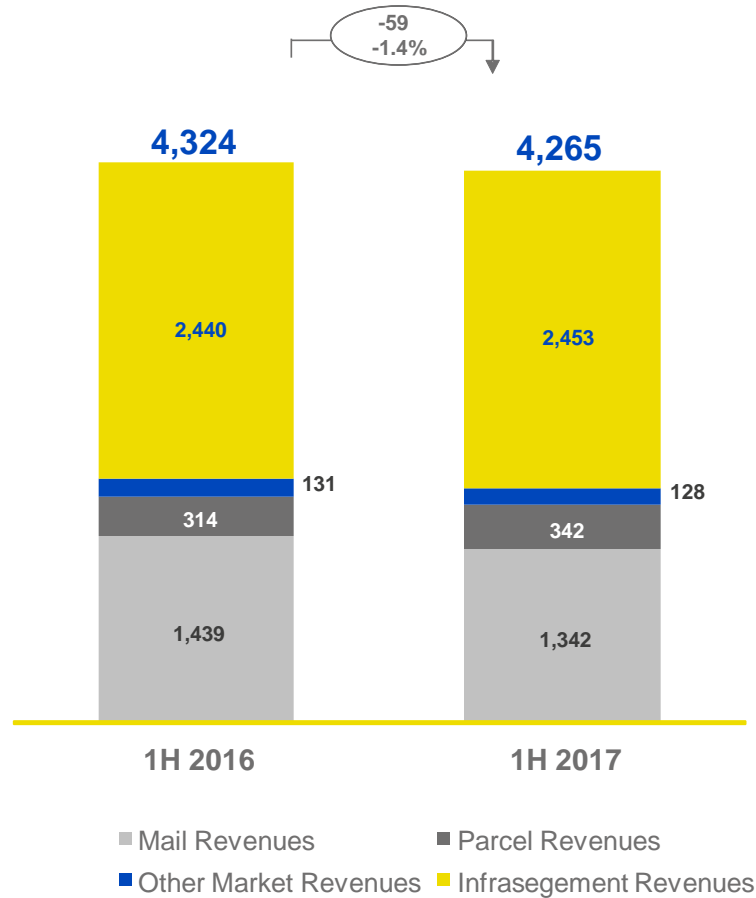


FOCUS ON MAIL & PARCELS (2/2)

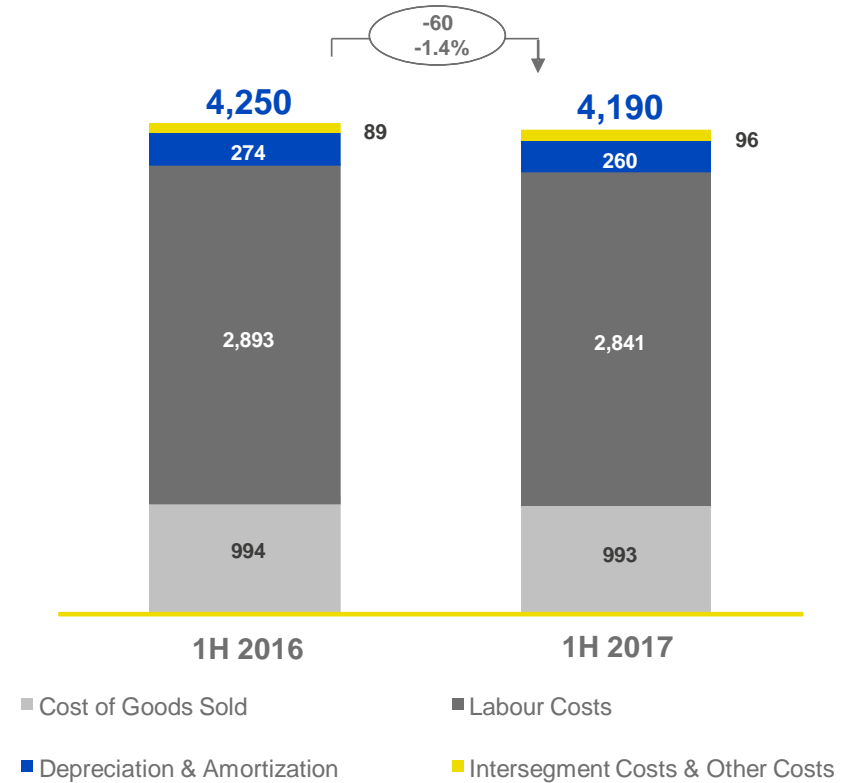
TOTAL REVENUES AND COST STRUCTURE

(€m)

TOTAL REVENUES



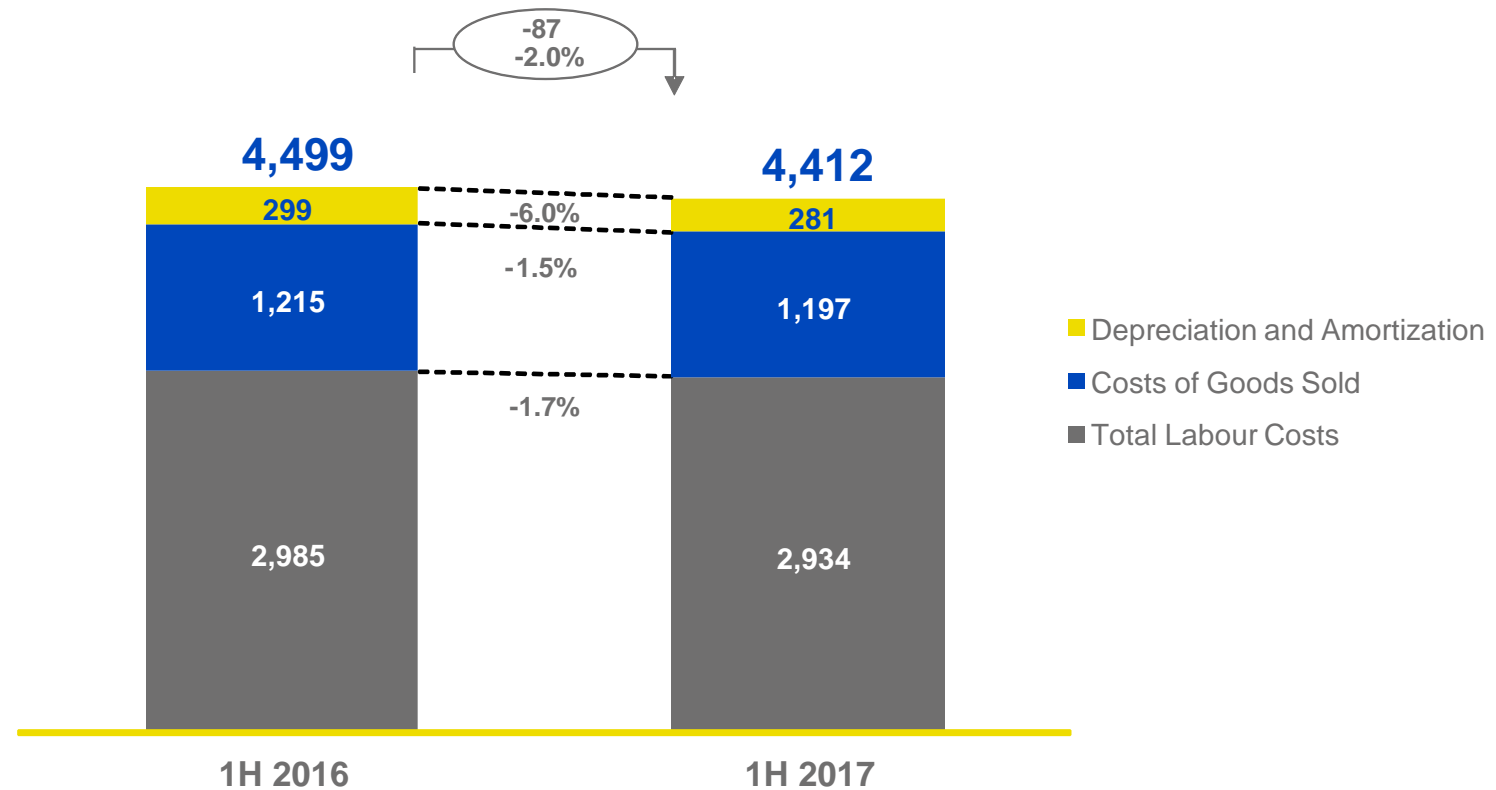
OPERATING COSTS



TOTAL GROUP OPERATING COSTS EVOLUTION

(€m)

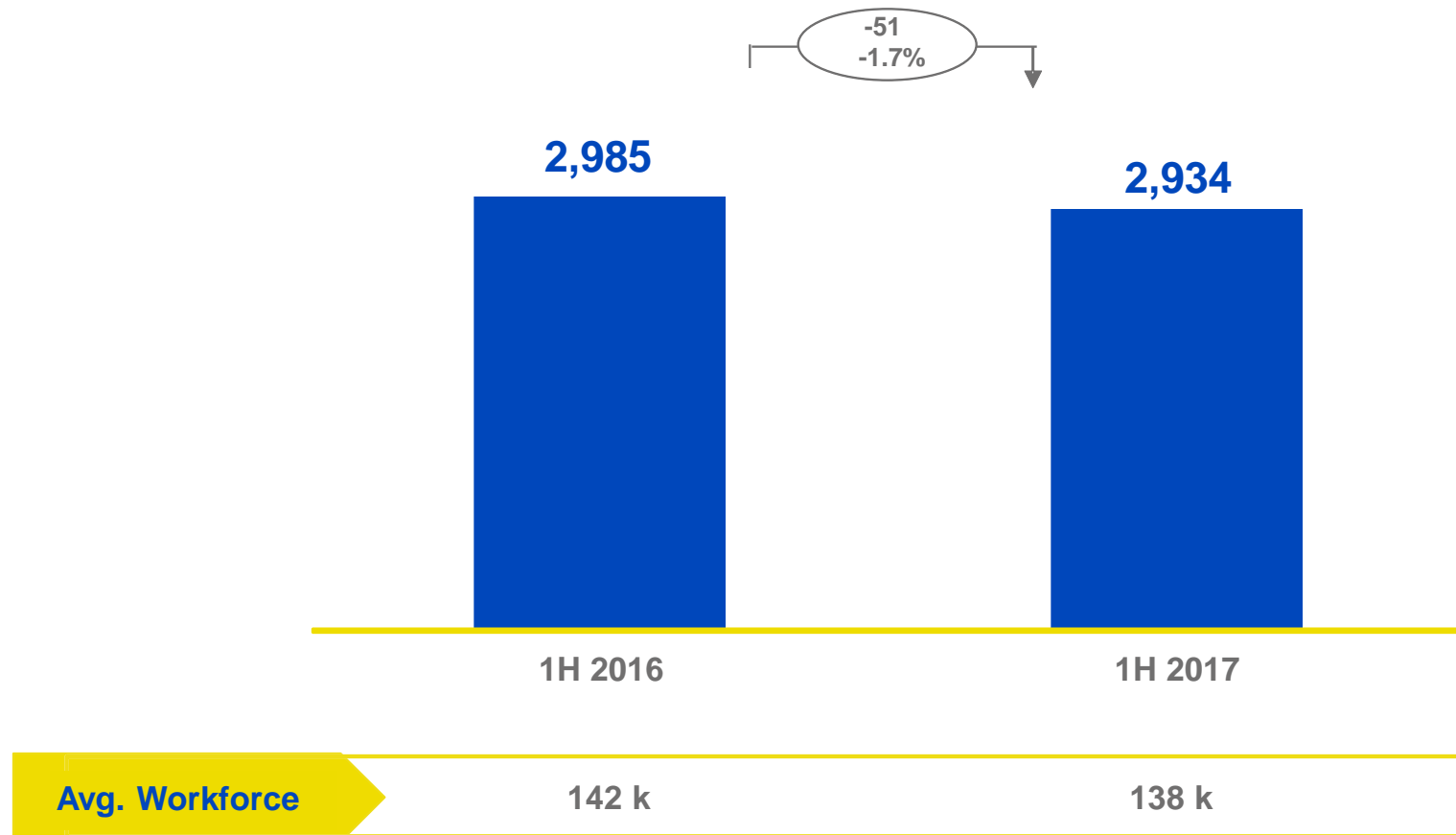
GROUP OPERATING COSTS



COST STRUCTURE AT CONSOLIDATED LEVEL

FOCUS ON LABOUR COSTS

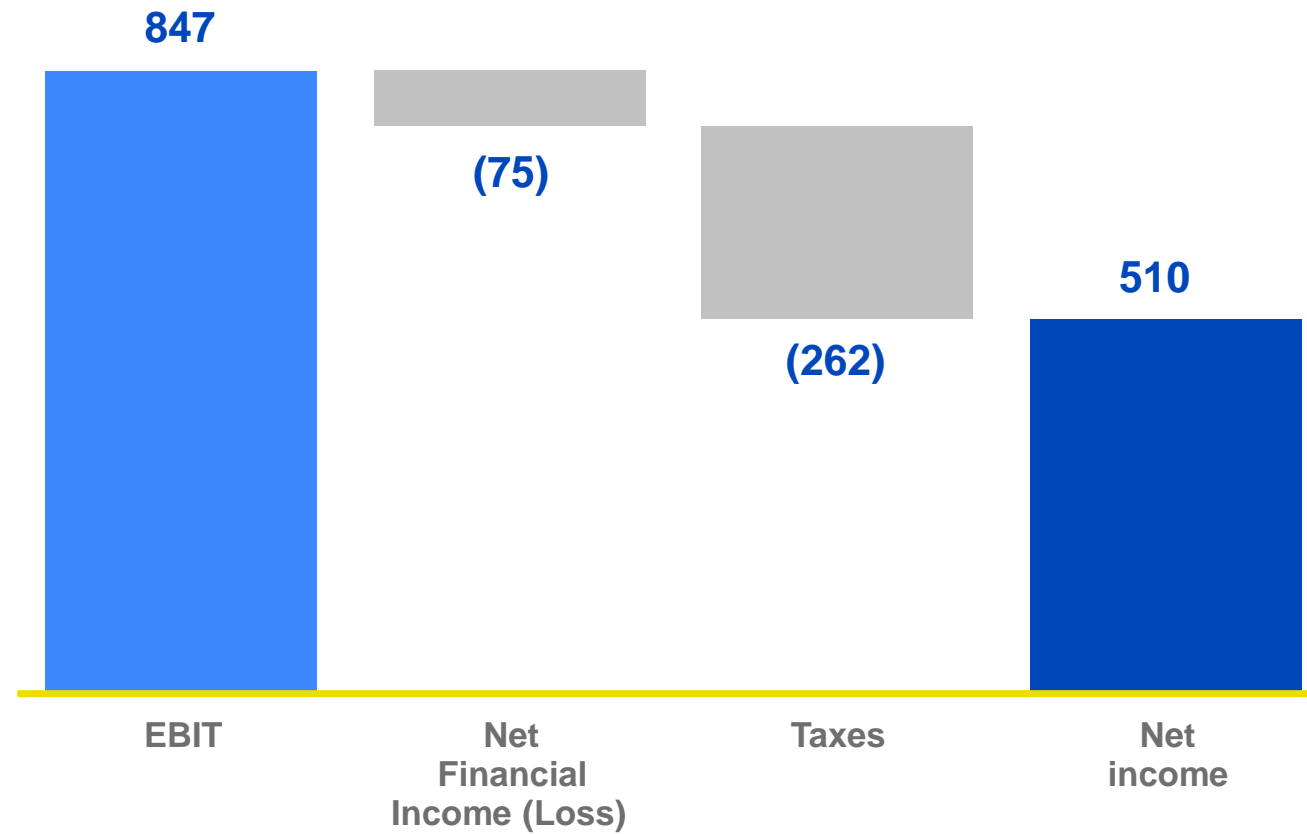
(€m)



FROM GROUP EBIT TO NET INCOME

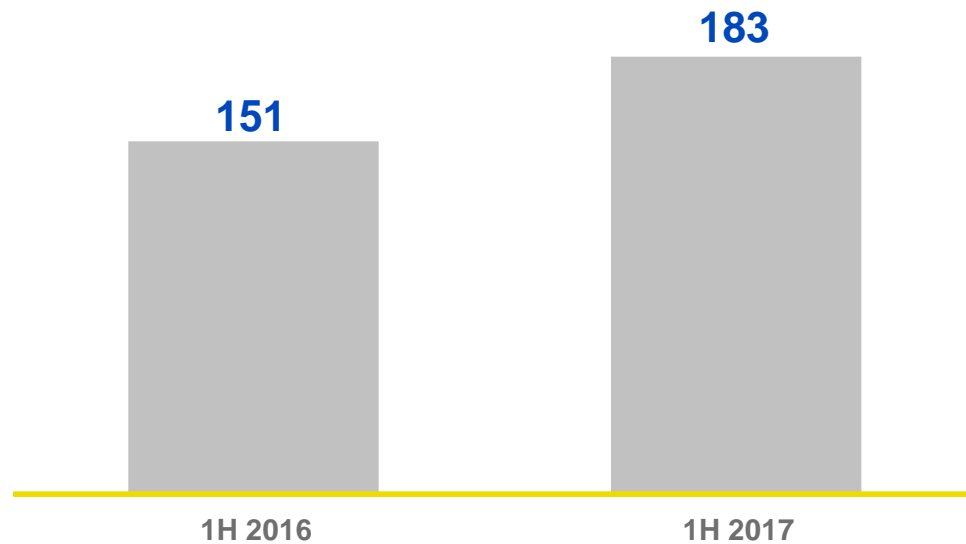
1H 2017

(€m)

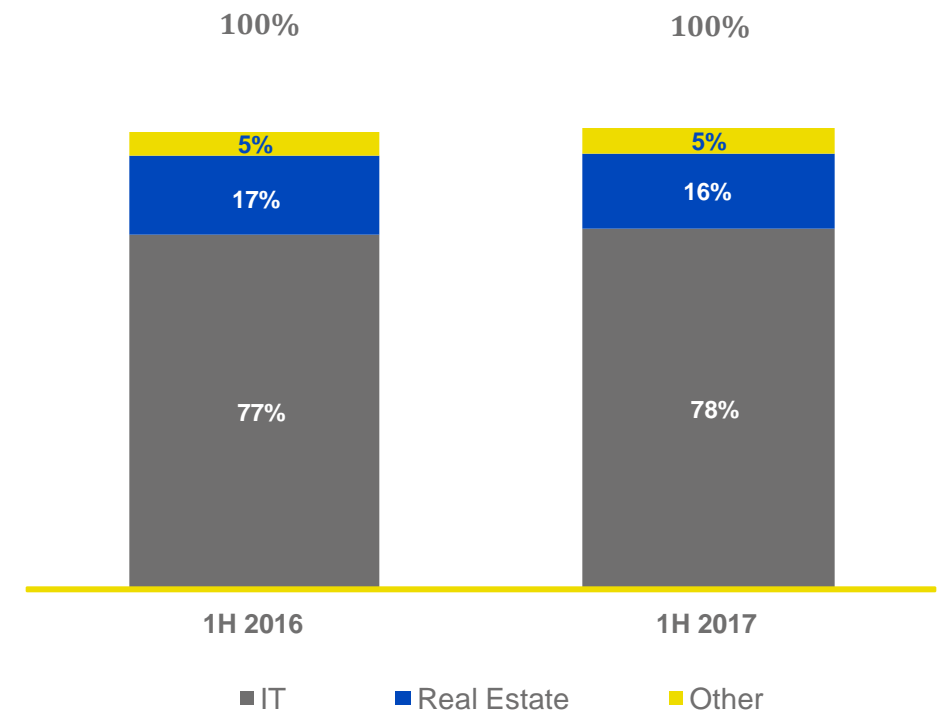


GROUP CAPITAL EXPENDITURES

CAPEX EVOLUTION (€m)

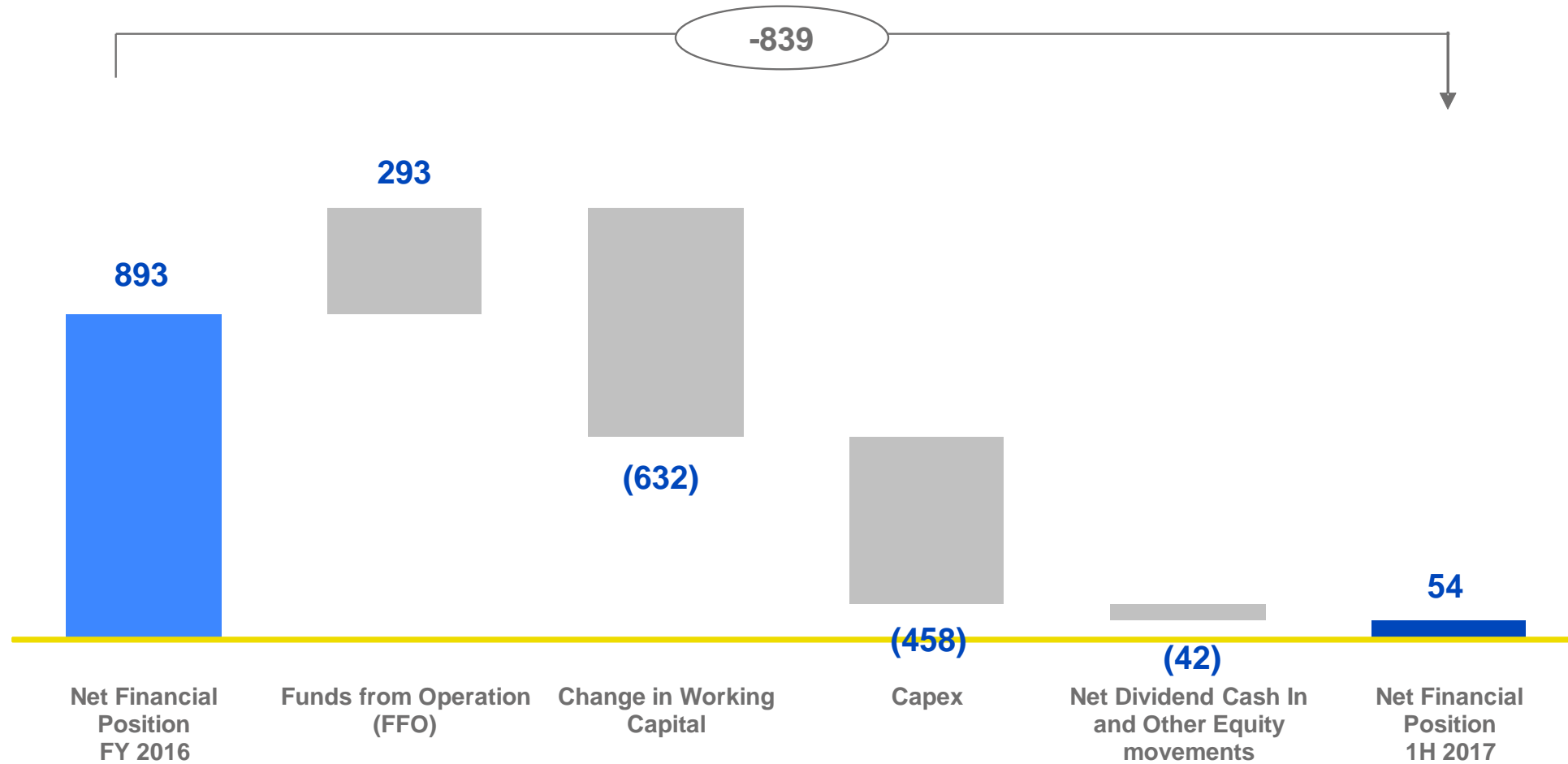


CAPEX BREAKDOWN BY DIVISION (%)



INDUSTRIAL NET FINANCIAL POSITION

(€m)



OUR FOCUS NOW



**NEW MANAGEMENT
TEAM IN PLACE**



**DRAFTING NEW
STRATEGIC PLAN**



Strengthen Cash Generation

Confirming 2015/2016 Dividend Policy for 2017



APPENDIX

GROUP PROFIT & LOSS STATEMENT

1H 2017

€m	1H 2016	1H 2017	Var.%
Revenue from sales and services	4,316	4,237	(1.8%)
Insurance premium revenue	10,551	11,098	5.2%
Other income from financial and insurance activities	2,781	2,665	(4.2%)
Other operating income	34	29	(14.7%)
Sales	17,682	18,029	2.0%
Personnel costs	(2,985)	(2,934)	(1.7%)
Other operating expenses	(1,610)	(1,797)	11.6%
Net change in technical provisions for insurance business and other claims expenses	(11,944)	(12,171)	1.9%
Depreciation & amortization	(299)	(281)	(6.0%)
EBIT	843	847	0.5%
Net interest income / (Expense)	15	(75)	(625.3%)
Profit before tax	858	772	(10.0%)
Tax	(293)	(262)	(10.6%)
Net income	565	510	(9.7%)

GROUP KEY BALANCE SHEET ITEMS

1H 2017

€m	FY 2016	1H 2017	Var.%
Cash & Equivalents	3,902	3,481	(10.8%)
BancoPosta related Cash	2,494	3,236	29.8%
Receivables & Inventory	2,073	2,157	4.1%
Financial Assets	174,362	180,664	3.6%
Tangible and Intangible Assets	2,649	2,549	(3.8%)
Other	5,005	5,886	17.6%
Non-current assets and groups of assets held for sale	2,720	2,591	(4.7%)
Total Assets	193,205	200,564	3.8%
Trade Payables	1,506	1,403	(6.8%)
Financial liabilities	60,921	64,515	5.9%
Technical Reserves	113,678	118,658	4.4%
Other	6,906	6,597	(4.5%)
Liabilities related to assets held for sale	2,060	2,084	1.2%
Total Liabilities	185,071	193,257	4.4%
Shareholders capital	1,306	1,306	-
Reserves	6,828	6,001	(12.1%)
Totale Equity	8,134	7,307	(10.2%)
Total Liabilities & Equity	193,205	200,564	3,8%

GROUP CASH FLOW STATEMENT

1H 2017

€m	1H 2016	1H 2017	Var.%
Net income	565	510	(9.7%)
Depreciation and amortization	299	281	(6.0%)
Net provisions for risks and charges	263	422	60.5%
(Use of Provisions for risks and charges)	(291)	(308)	5.8%
Net change in employee termination benefits and pension plans	(45)	(66)	46.7%
Other	34	35	2.9%
FFO	825	874	5.9%
Change in working capital	(455)	(782)	71.9%
Effect related to net assets held for sale	0	145	n.m.
Cash flow from operations	370	237	(35.9%)
Capital expenditures	(151)	(183)	21.2%
Net change in subsidiaries and associates	0	(284)	n,m,
Disposals	5	3	(40.0%)
Cash flow from investments	(146)	(464)	n.m.
Dividend paid	(444)	(509)	14.6%
Cash Flow from financial assets and liabilities	(1,179)	315	n.m.
Cash flow from financing	(1,623)	(194)	(88.0%)
Net change in cash	(1,399)	(421)	(69.9%)

GROUP WORKING CAPITAL

1H 2017

€m	FY 2016	1H 2017	Var.%
Working Capital			
Trade receivables	2,172	2,283	5.1%
Inventories	137	137	-
Other receivables and assets	3,671	3,949	7.6%
Current tax receivables	15	189	n.m.
Trade payables	(1,506)	(1,403)	(6.8%)
Other liabilities	(3,218)	(2,946)	(8.5%)
Current tax liabilities	(88)	(275)	n.m.
Working Capital	1,183	1,934	63.5%
Deferred tax asset	799	911	14.0%
Deferred tax liabilities	(746)	(508)	(31.9%)
Working Capital and deferred taxes	1,236	2,337	89.1%

CHANGE IN GROUP WORKING CAPITAL

1H 2017

€m	1H 2016	1H 2017	Var.%
Trade receivables	46	(111)	n.m.
Inventories	(3)	0	n.m.
Other receivables and assets	(392)	(278)	(29.1%)
Current tax receivables	(103)	(174)	68.9%
Trade payables	(160)	(103)	(35.6%)
Other liabilities	(88)	(272)	n.m.
Current tax liabilities	228	187	(18.0%)
Deferred tax assets	(105)	(112)	6.7%
Deferred tax liabilities	(265)	(238)	(10.2%)
Total Change in Working capital and deferred taxes	(842)	(1,101)	30.8%
Financial Income on discounted receivables	3	3	-
Net write-downs and loss on receivables	(18)	(22)	n.m.
Deferred tax on fair value changes and TFR actuarial income	402	338	(15.9%)
Adjustments (non monetary items and shareholders' transactions)	387	319	(17.6%)
Change in Working Capital and deferred taxes as per cash flow statement	(455)	(782)	71.9%

MAIL & PARCELS KEY BALANCE SHEET ITEMS

1H 2017

€m			
Assets		Equity and Liabilities	
Property, plant and equipment	1,976	Totale Equity	2,719
Investment property	54		
Intangible assets	419	Provisions for risks and charges	259
Investments*	2,157	Employee termination benefits and pension plans	1,230
Financial assets	813	Financial liabilities	290
Trade receivables	5	Deffered tax liabilities	26
Deferred tax assets	455	Other liabilities	68
Other receivables and assets	129		
Total Non-current assets	6,008	Total Non-current liabilities	1,873
Inventories	134	Provisions for risks and charges	848
Trade receivables	2,049	Trade payables	1,281
Current tax assets	169	Current tax liabilities	182
Other receivables and assets	441	Other liabilities	1,372
Financial assets	150	Financial liabilities	1,679
Cash and cash equivalents	1,003		
Total Current assets	3,946	Total Current liabilities	5,362
Total Assets	9,954	Totale Equity and Liabilities	9,954

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

MAIL & PARCELS AND OTHER SERVICES NET DEBT BREAKDOWN

1H 2017

€m	FY 2016	1H 2017	Var.%
Cash and Cash Equivalents	1,577	1,018	(35.4%)
Current Financial Assets	63	57	(9.5%)
Short term debt	(2)	(201)	n.m.
Current part of long term debt	(14)	(750)	n.m.
Other current financial liabilities	(22)	(35)	59.1%
Current Financial Position	(38)	(986)	n.m.
Current Net Financial Position	1,602	89	(94.4%)
Long term debt	(400)	(200)	(50.0%)
Bonds	(798)	(50)	(93.7%)
Other non current financial liabilities	(50)	(41)	(18.0%)
Non Current Financial Position	(1,248)	(291)	(76.7%)
Net Financial Position	354	(202)	n.m.
Non current financial assets	651	563	(13.5%)
Net Financial Position - Mail & Parcel and Other Services	1,005	361	(64.1%)
Intersegment financial receivables	522	343	(34.3%)
Intersegment financial payables	(634)	(650)	2.5%
Net Financial Position (net of intersegments) *	893	54	(94.0%)

* Including a Net Financial Position of Other Services (€57 for the first half 2017 and €48m in 2016)

FINANCIAL SERVICES

PROFIT & LOSS

€m	1H 2016	1H 2017	Var.%
Total revenues	3,110	3,141	1.0%
o/w Market revenues	2,830	2,840	0.4%
o/w Intercompany revenues	280	301	7.5%
Personnel costs	(64)	(65)	1.6%
Other operating expenses	(2,561)	(2,685)	4.8%
EBITDA	485	390	(19.6%)
<i>EBITDA margin</i>	15.6%	12.4%	
Depreciation and amortisation	(0,3)	(0,6)	106.6%
EBIT	485	390	(19.6%)
<i>EBIT margin</i>	15.6%	12.4%	

INSURANCE AND ASSET MANAGEMENT

PROFIT & LOSS

€m	1H 2016	1H 2017	Var.%
Total revenues	12,854	13,274	3.3%
o/w Market revenues	12,854	13,274	3.3%
o/w Intercompany revenues	0	0	n.s.
Personnel costs	(19)	(21)	7.4%
Other operating expenses	(12,558)	(12,874)	2.5%
EBITDA	276	379	37.2%
<i>EBITDA margin</i>	2.2%	2.9%	
Depreciation and amortisation	(7)	(9)	35.7%
EBIT	270	370	37.0%
<i>EBIT margin</i>	2.1%	2.8%	

MAIL & PARCELS

PROFIT & LOSS

€m	1H 2016	1H 2017	Var.%
Total revenues	4,324	4,265	(1.4%)
o/w Market revenues	1,884	1,812	(3.8%)
o/w Intercompany revenues	2,440	2,453	0.5%
Personnel costs	(2,893)	(2,841)	(1.8%)
Other operating expenses	(1,083)	(1,089)	0.6%
EBITDA	348	335	(3.7%)
<i>EBITDA margin</i>	8.1%	7.9%	
Depreciation and amortisation	(274)	(260)	(5.1%)
EBIT	74	75	1.4%
<i>EBIT margin</i>	1.7%	1.8%	

OTHER SERVICES

POSTE MOBILE KEY FINANCIALS

€m	1H 2016	1H 2017	Var.%
P&L			
Total revenue	147	115	(21.6%)
o/w Market revenue	114	103	(9.6%)
o/w Intercompany revenue	32	12	(63.7%)
Personnel costs	(10)	(8)	(20.5%)
Other operating expenses	(105)	(84)	(19.9%)
EBITDA	32	23	(27.4%)
EBITDA margin	21.6%	20.0%	
Depreciation and amortisation	(17)	(11)	(34.5%)
EBIT	15	12	(19.1%)
EBIT margin	9.9%	10.2%	
Non-operating income/(expenses)	(0)	(0)	(38.2%)
Profit before taxes	14	11	(18.4%)
Taxes	(5)	(3)	(32.9%)
Profit after taxes	9	8	(10.8%)

€m	1H 2016	1H 2017	Var.%
Cash flow statement			
FFO	24,6	19,2	(22.0%)
Cash flow from investments	25,0	(13,3)	(153.1%)
Net change in cash	(4,8)	(6,0)	(24.5%)
Other key data			
Average number of users (sim cards -#k)	3,619	3,652	0.9%
ARPU (€) ¹	4,8	4,3	(9.4%)

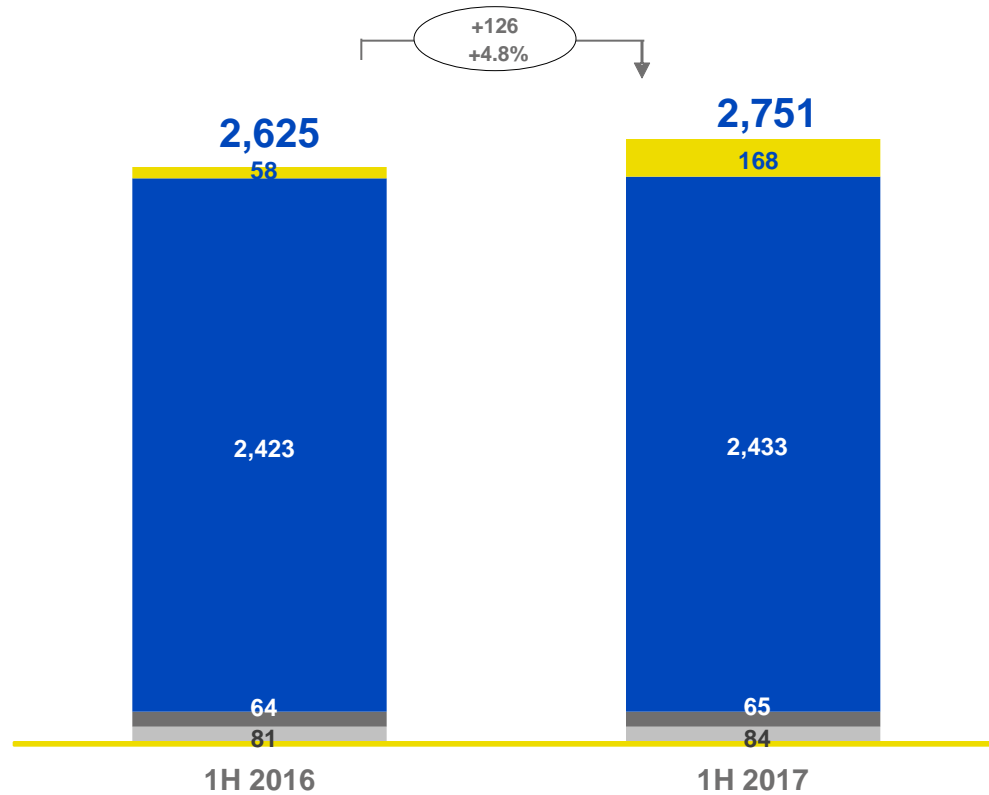
1. Calculated on total sim cards (active and non active sim cards)

FINANCIAL SERVICES

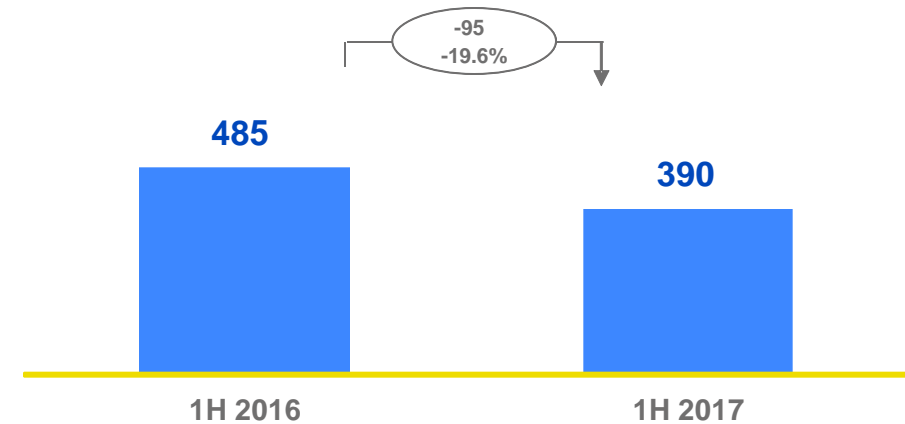
COST STRUCTURE AND PROFITABILITY AT DIVISIONAL LEVEL

(€m)

Operating Costs



Operating Profit¹



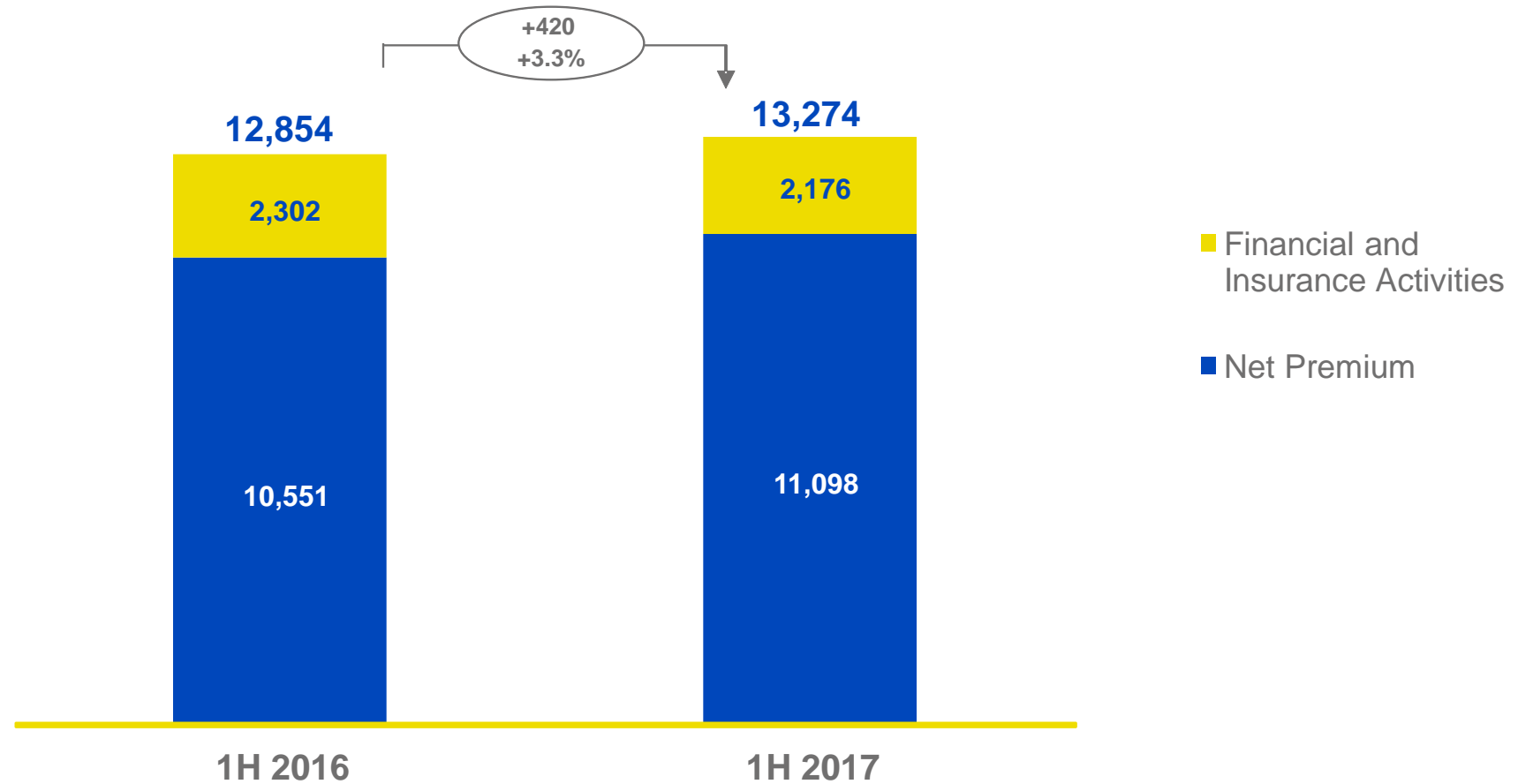
- Cost of Goods Sold
- Labour Costs
- Intersegment Costs
- Other

1. Includes intersegment revenues

FOCUS ON INSURANCE AND ASSET MANAGEMENT

REVENUES BREAKDOWN

(€m)



INSURANCE AND ASSET MANAGEMENT

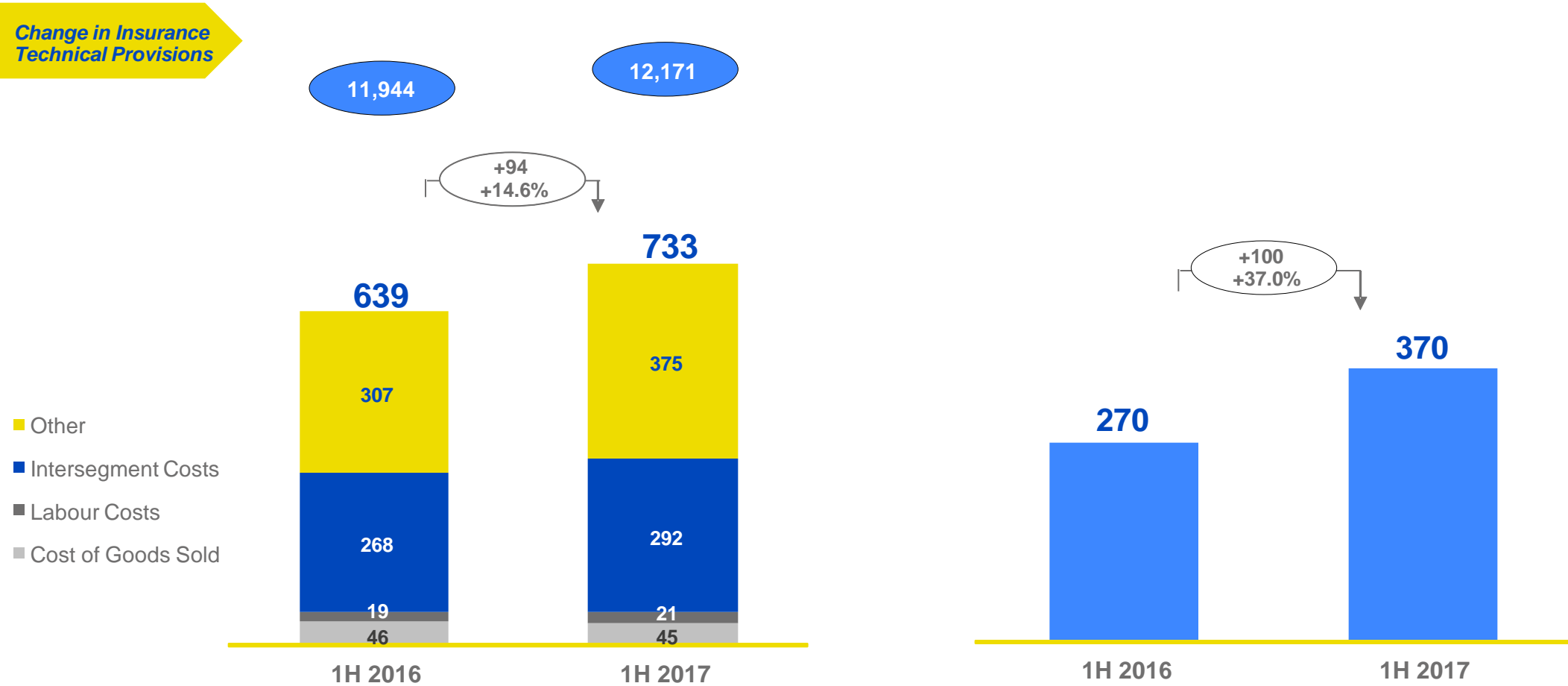
COST STRUCTURE AND PROFITABILITY AT DIVISIONAL LEVEL

(€m)

*Change in Insurance
Technical Provisions*

Operating Costs

Operating Profit¹



1. Includes intersegment revenues

SEGMENT FLOW DESCRIPTION

1H 2017

(€m)

	Mail & Parcels Including Network	Financial Services	Insurance and Asset Management	Poste Italiane Group ²
Market Revenues	1,812	2,840	13,274	18,029
Intersegment Revenues	2,453	301	-	-
Totale Revenues	4,265	3,141	13,274	18,029
Personnel Costs	(2,841)	(65)	(21)	(2,934)
Other operating costs ¹	(1,319)	(252)	(420)	(2,078)
Net change in Technical Provisions	-	-	(12,171)	(12,171)
Intersegment Costs	(31)	(2,434)	(292)	-
Operating Costs	(4,190)	(2,751)	(12,904)	(17,182)
Operating Profit (Loss)	75	390	370	847

1. Including external costs, and D&A

2. Including Other Services (Poste Mobile)

DISCLAIMER

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