



6000

4000

2000

9M 2016 Results

9 November 2016

36.5.2

80.08.1

2.05.1

4.5.6.7

3.6

OPENING REMARKS

(€m)

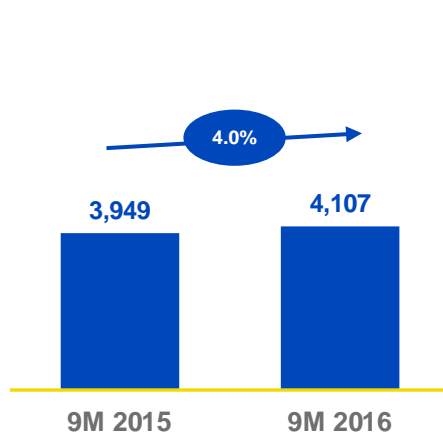
Key Numbers

	9M 2015	9M 2016	Var %
Revenues	23,921	25,729	+8%
EBIT	930	1,196	+29%
Net Profit	622	807	+30%

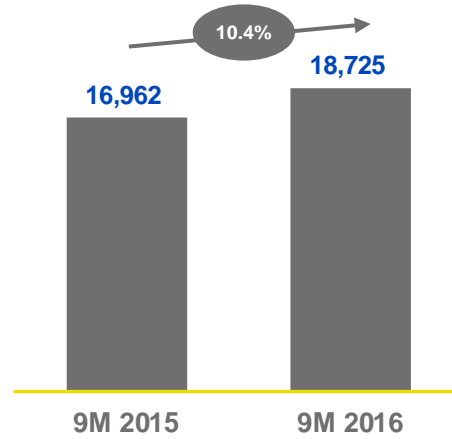
9M 2016: FIGURES HIGHLIGHTS

(€m)

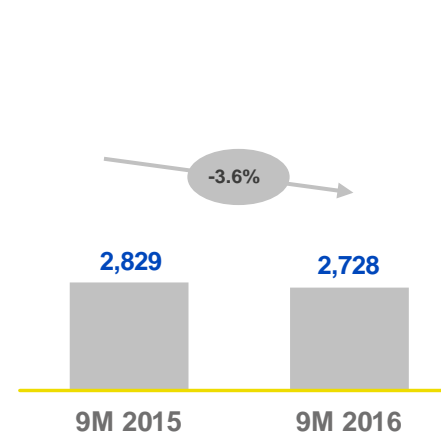
Financial Services



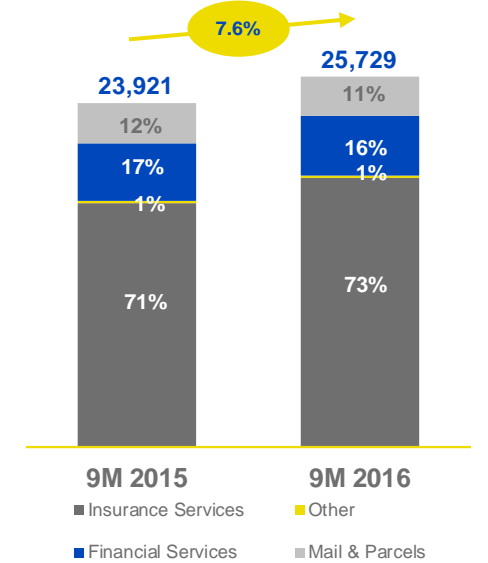
Insurance & Asset Management



Mail & Parcels

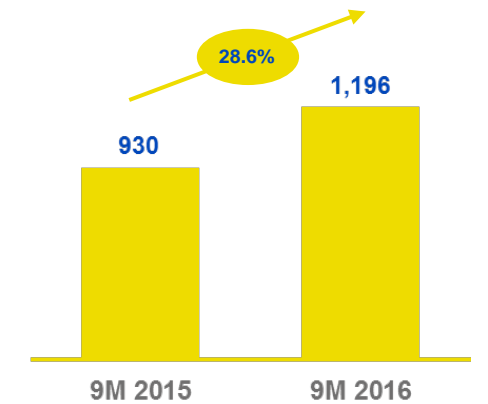
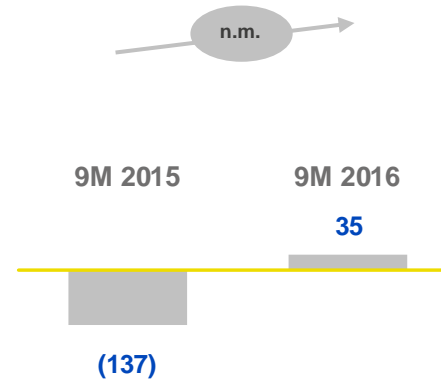
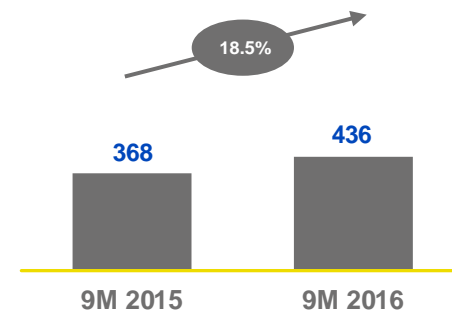
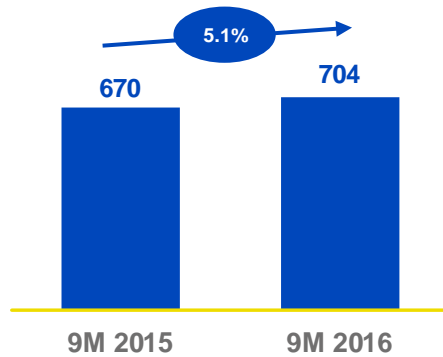


Poste Italiane Group²



REVENUES¹

EBIT

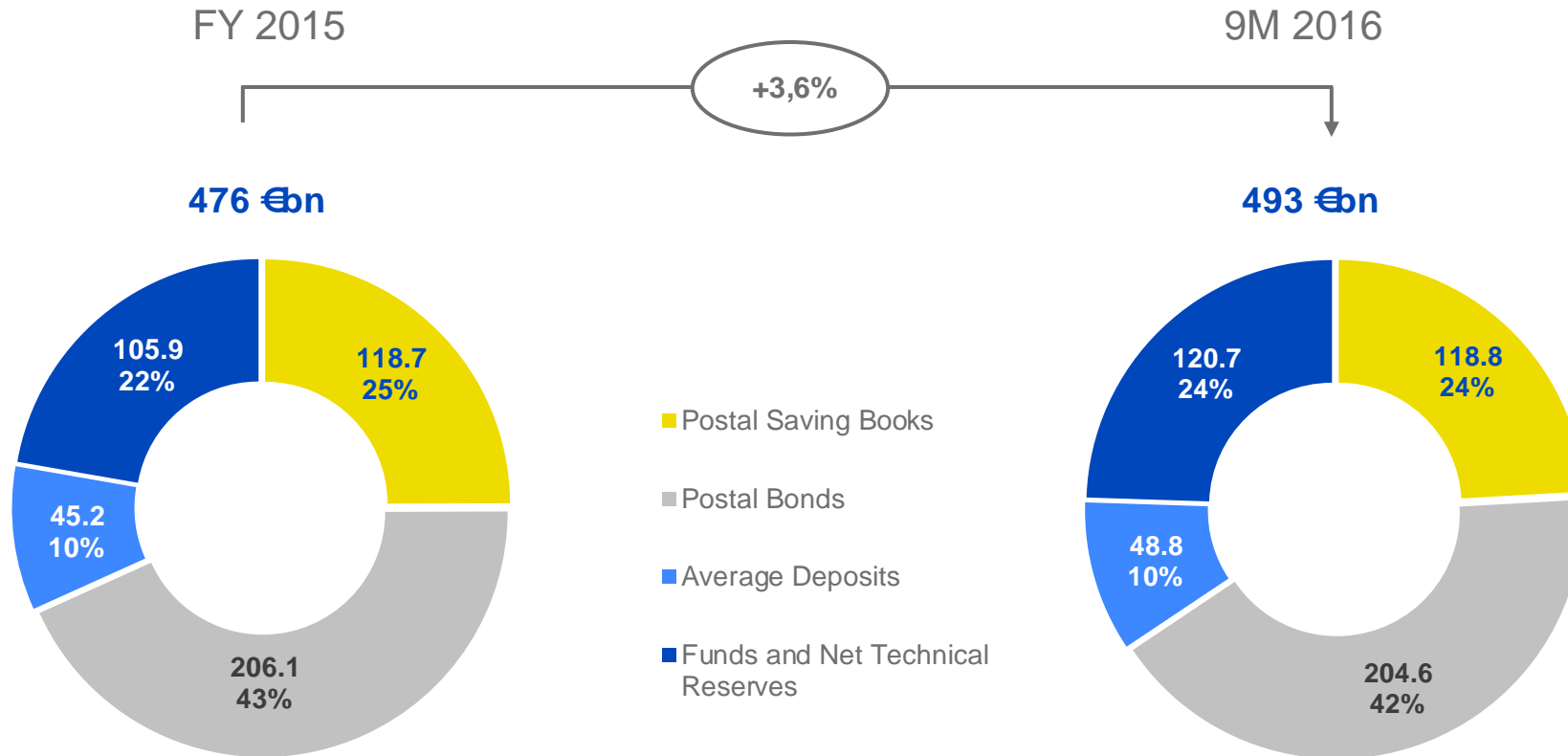


1. Net of intersegment revenues

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

TOTAL ASSETS UNDER MANAGEMENT/ADMINISTRATION

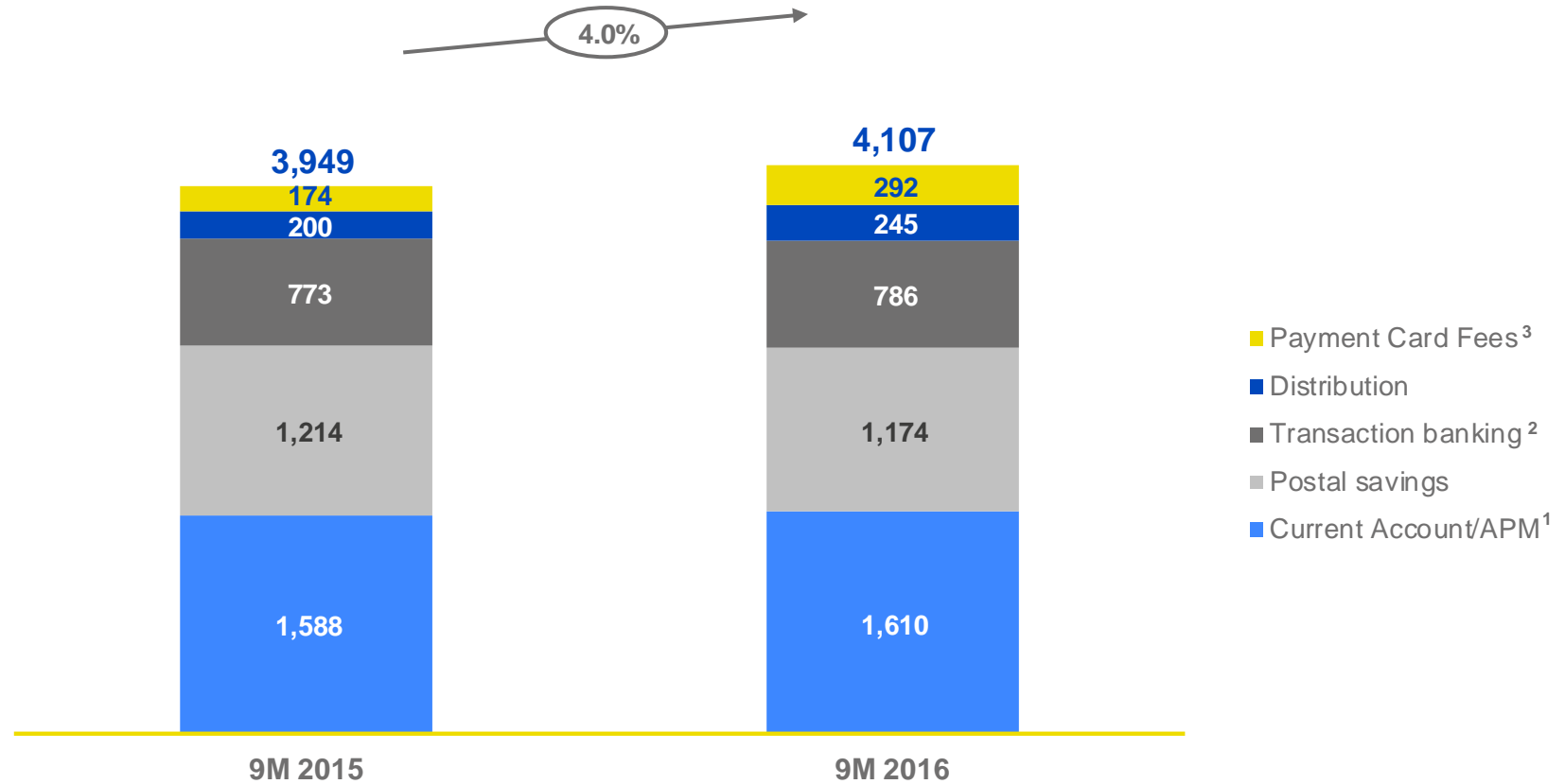
(€bn)



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

FOCUS ON FINANCIAL SERVICES (2/3)

REVENUES BREAKDOWN

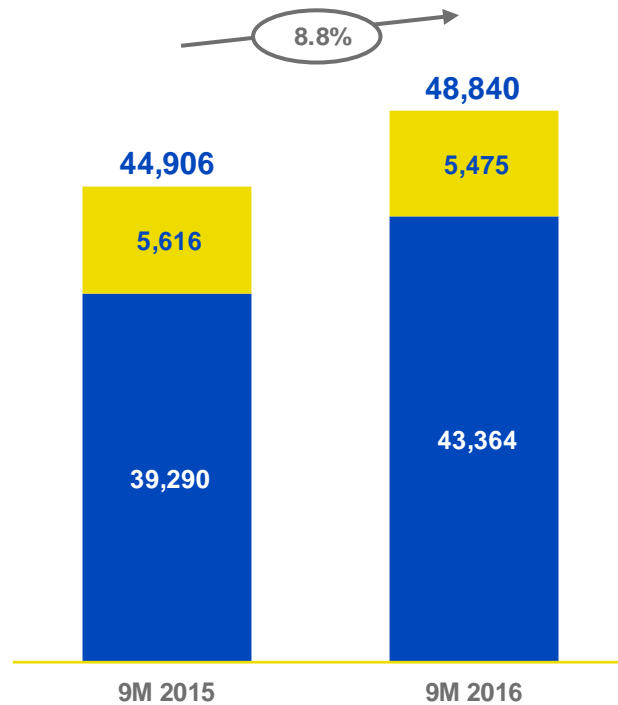
	9M 2016 €m 9M 16 vs 9M 15 (var.%)	Rationale
Return on Current Account Deposits	1,610 +1.4%	Enhanced active management of BancoPosta's asset portfolio
Fees from Postal Savings Collection	1,174 -3.3%	Lower fees related to lower recognized commercial costs
Fees from Transaction Banking	786 +1.7%	Higher revenues from payments slips (F23/F24)
Distribution Fees	245 +22.5%	Increase mainly due to a better performance on personal loans
Payment Card Fees	292 +67.8%	Includes a one-off capital gain from VISA Europe and higher revenues from Postepay Evolution offset by lower fees from debt/prepaid cards
Total Revenues	4,107 +4.0%	

FOCUS ON FINANCIAL SERVICES (3/3)

ACTIVE PORTFOLIO MANAGEMENT

(€m)

AVERAGE DEPOSITS¹



Public Administration

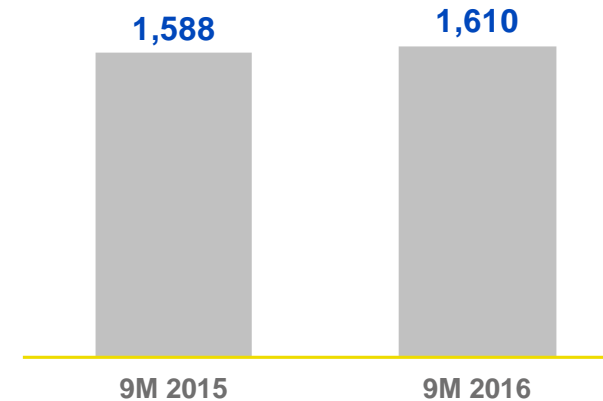
Retail and Corporate customers

Entirely invested in floating rate deposit c/o MEF

Mostly invested in Italian Government bonds

ACTIVE PORTFOLIO MANAGEMENT²

Average return ³ (%)	4.4%	4.1%
Unrealized gains (€m)	4,881	4,338
Portfolio duration (years)	5.8	5.7

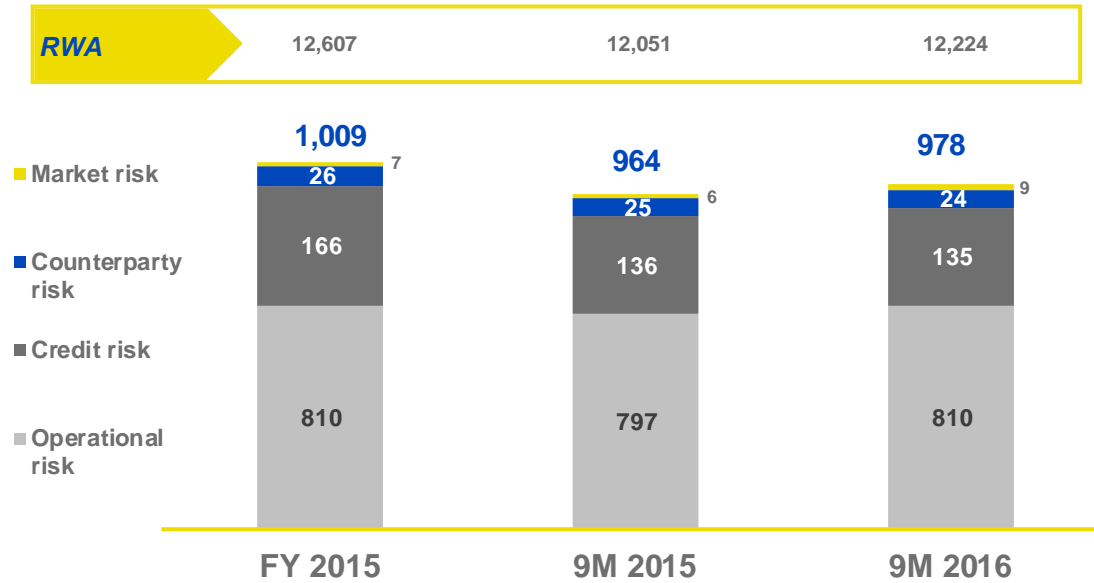


- Including current accounts, time deposits and repurchase agreements
- Including interest income and realized capital gains
- Average yield calculated as interest income and realized capital gains (pro rata temporis) on total financial assets

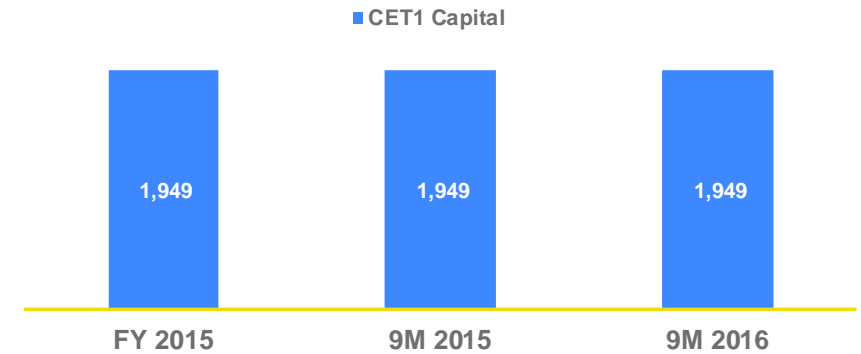
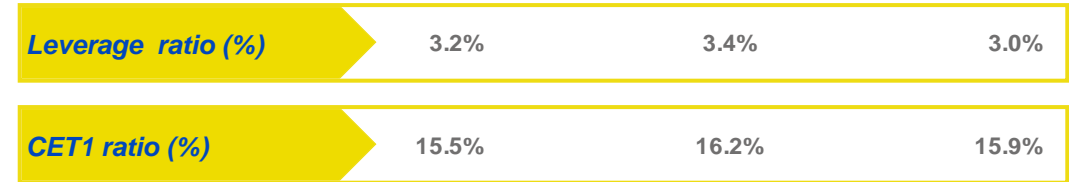
BANCOPOSTA REGULATORY FRAMEWORK AND CAPITAL POSITION

(€m)

CAPITAL REQUIREMENTS



CAPITAL POSITION



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

Increasing business volumes (customer deposits) and value of securities lowered leverage ratio in 9M16

ROE² @ 34% (vs. 30% in 9M15)

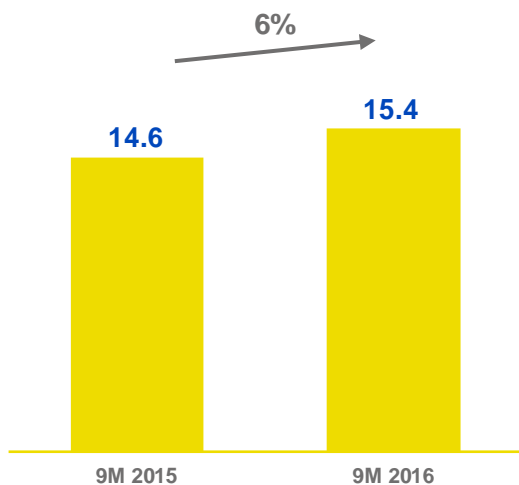
1. 10.5% Min. CET1 ratio required to distribute earnings

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

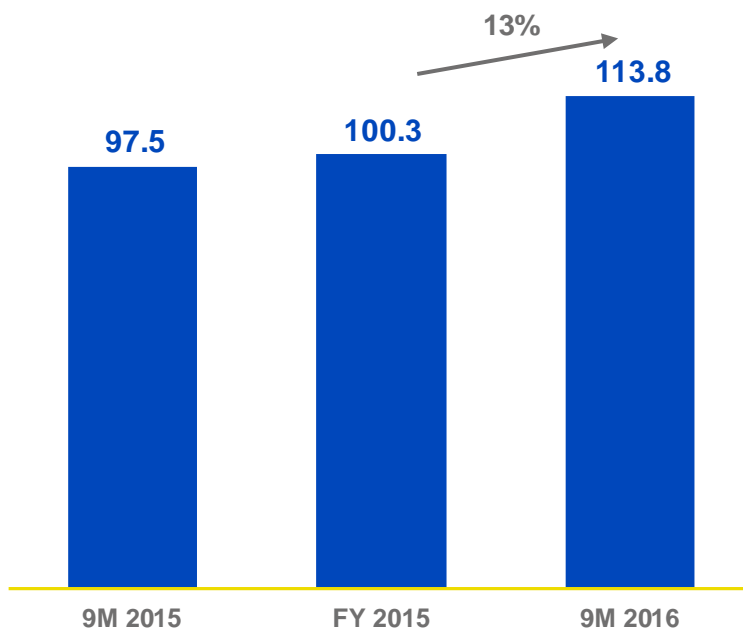
FOCUS ON INSURANCE & ASSET MANAGEMENT

GROUP GWP AND TECHNICAL RESERVES EVOLUTION

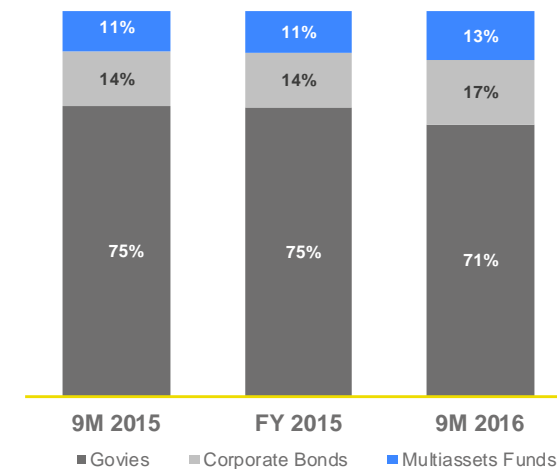
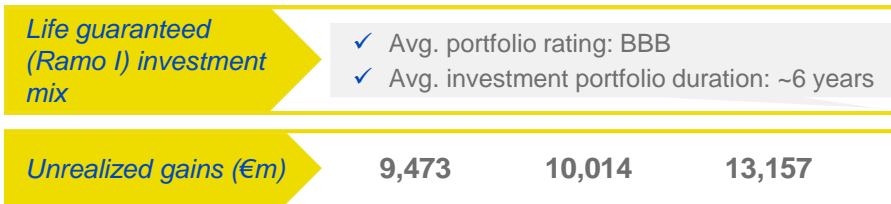
GROUP GWP EVOLUTION (€Bn)



GROUP NET TECHNICAL RESERVES EVOLUTION (€Bn)¹



INVESTMENT PORTFOLIO BREAKDOWN



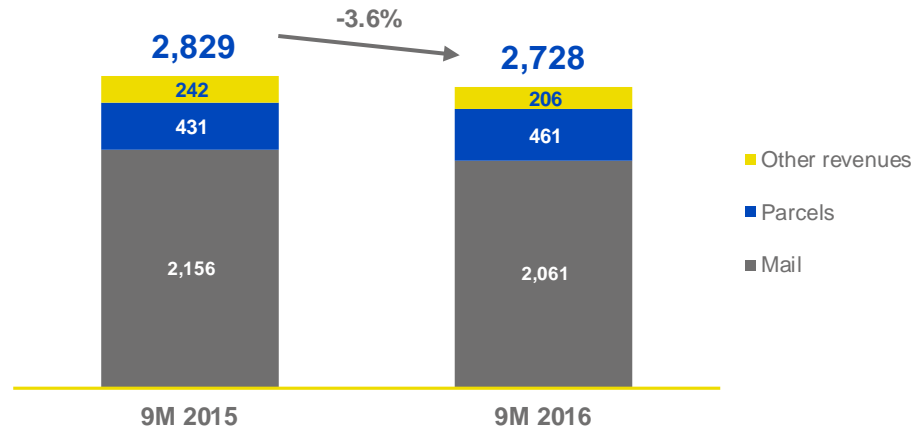
1. Including non-life technical reserves and net of re-insurance reserves

FOCUS ON MAIL & PARCELS (1/2)

VOLUMES AND MARKET REVENUES EVOLUTION



Revenues - Mail & Parcels (€m)

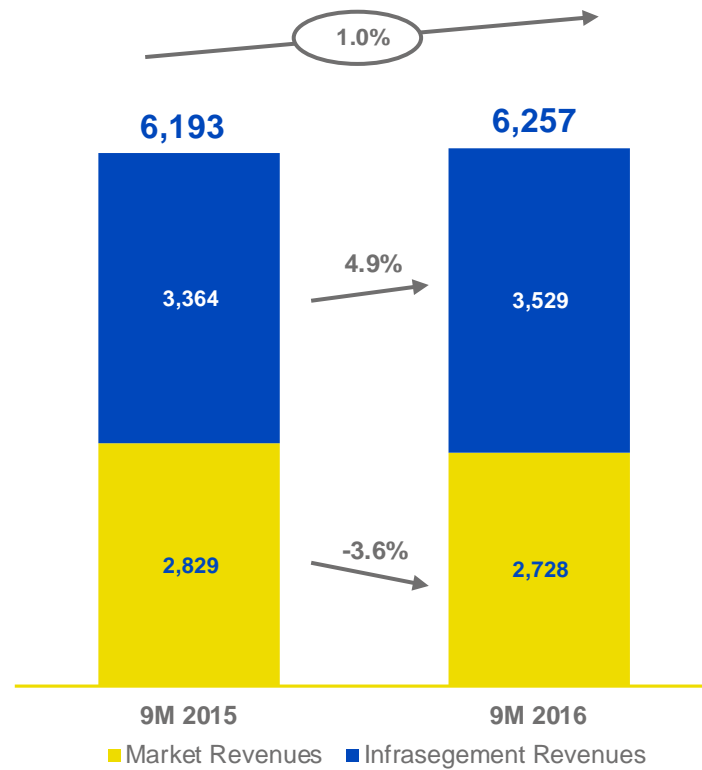


FOCUS ON MAIL & PARCELS (2/2)

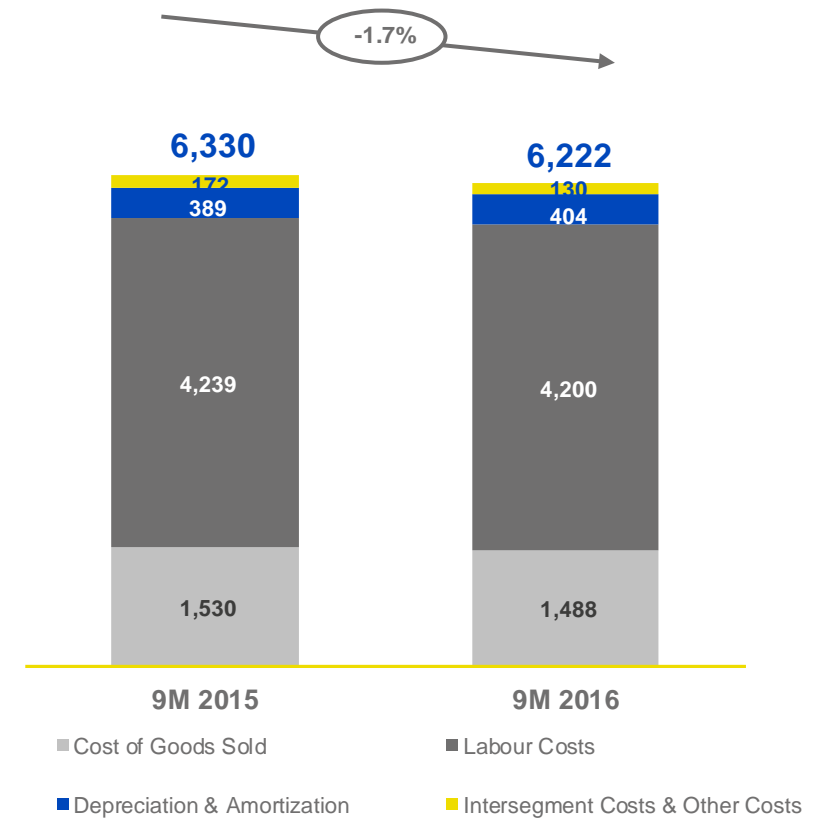
TOTAL REVENUES AND COST STRUCTURE

(€m)

Total Revenues



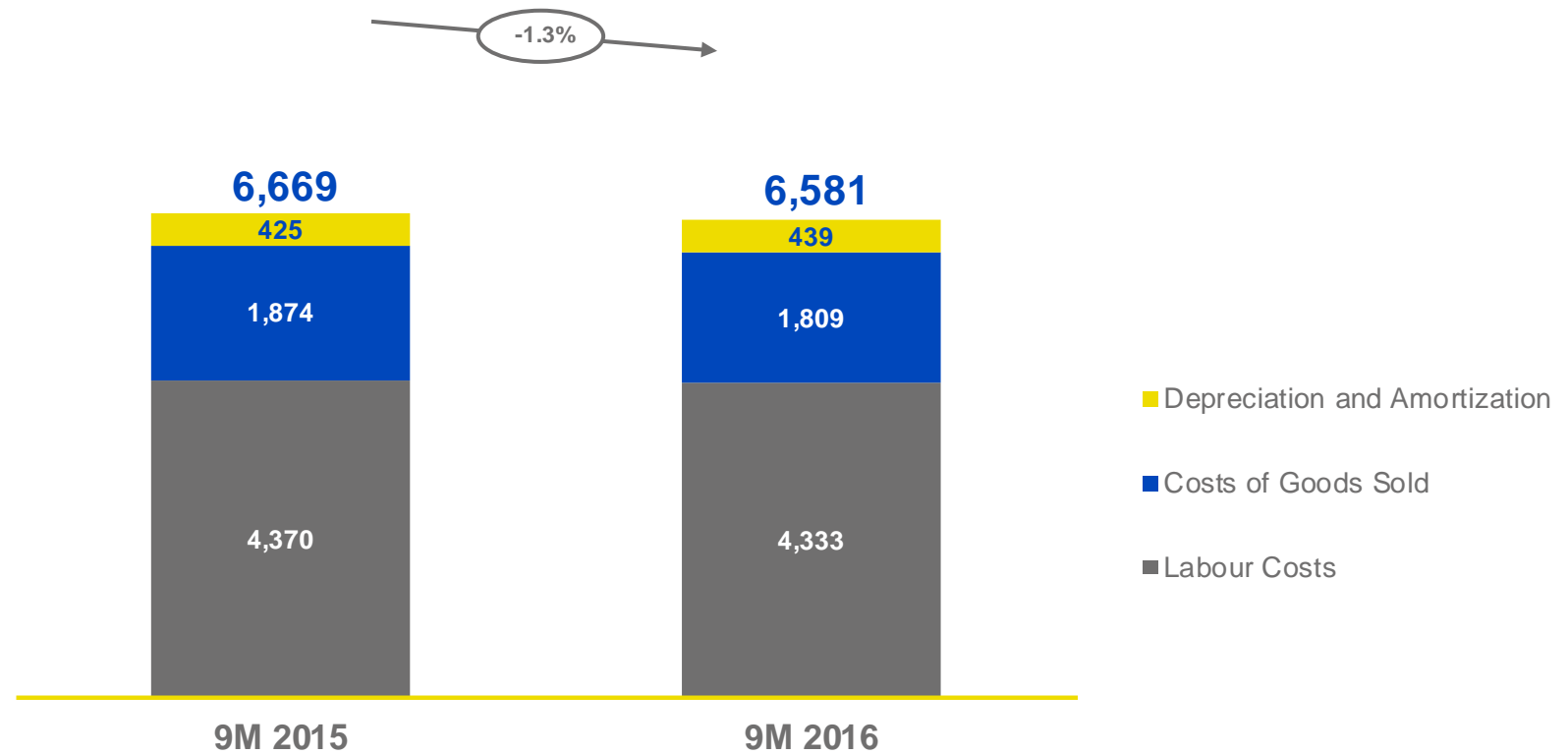
Operating Costs



TOTAL GROUP OPERATING COSTS EVOLUTION

(€m)

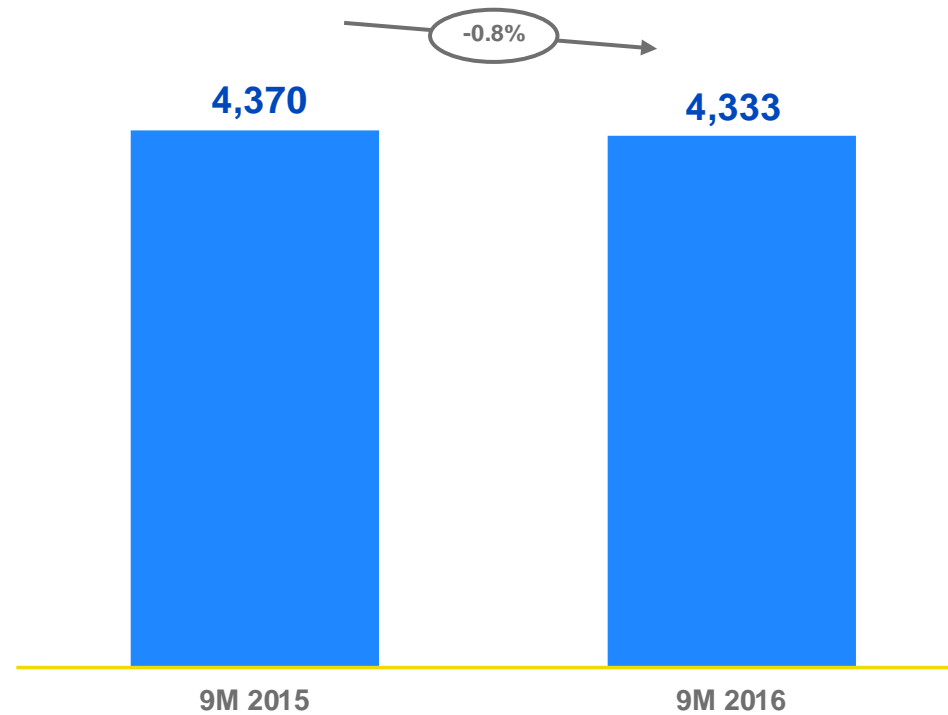
Group Operating Costs



COST STRUCTURE AT CONSOLIDATED LEVEL

FOCUS ON LABOUR COSTS

(€m)



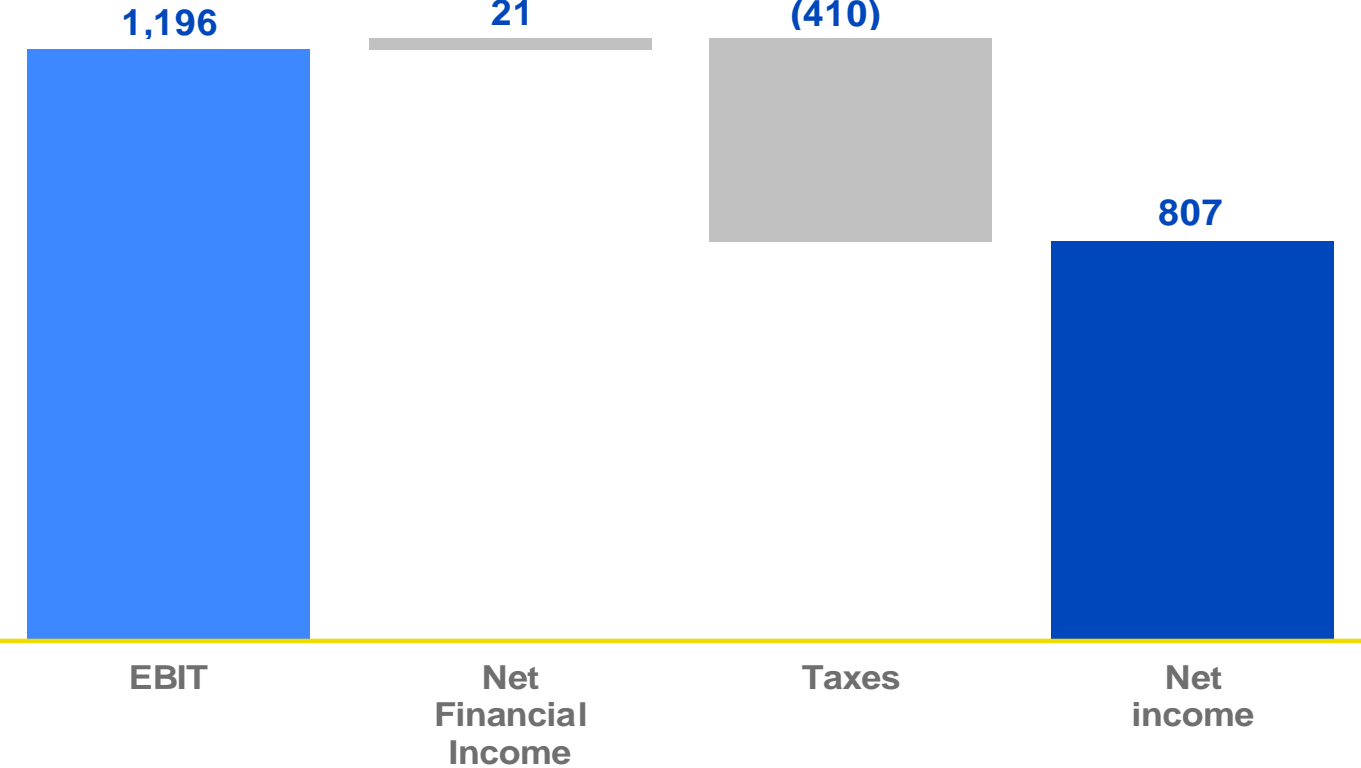
Avg. workforce

143.6 K

141.6 K

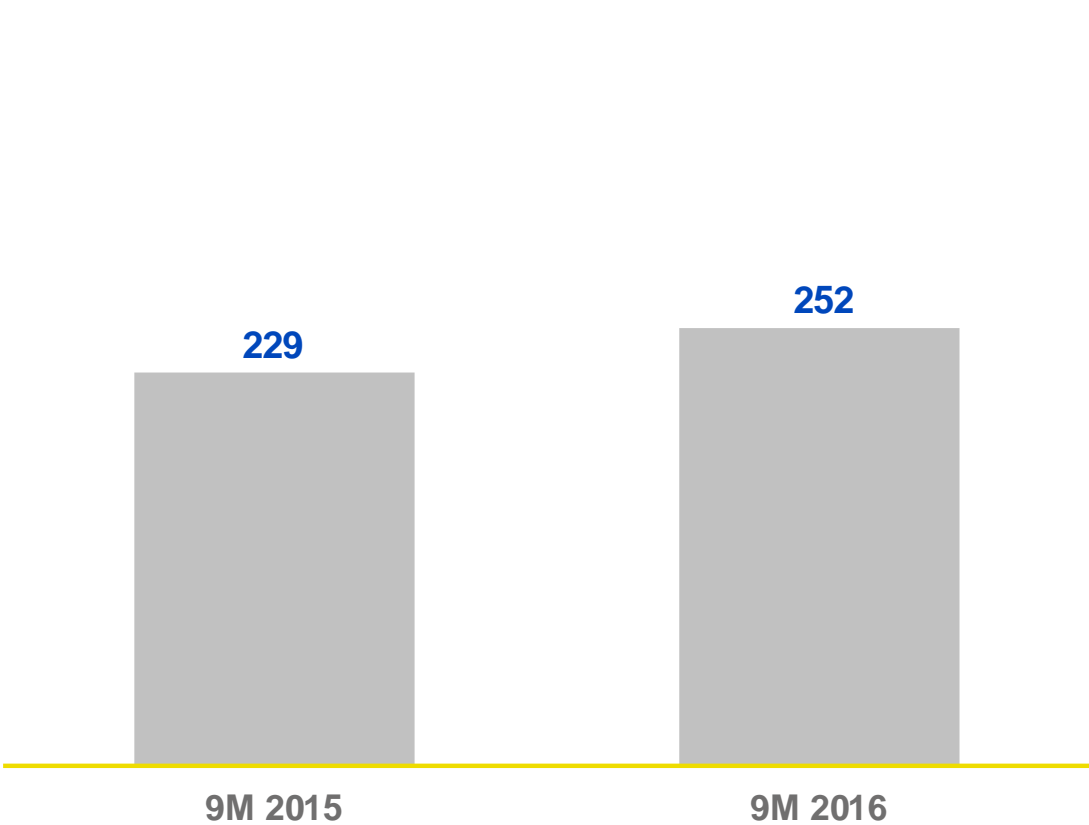
FROM GROUP EBIT TO NET INCOME

(€m)

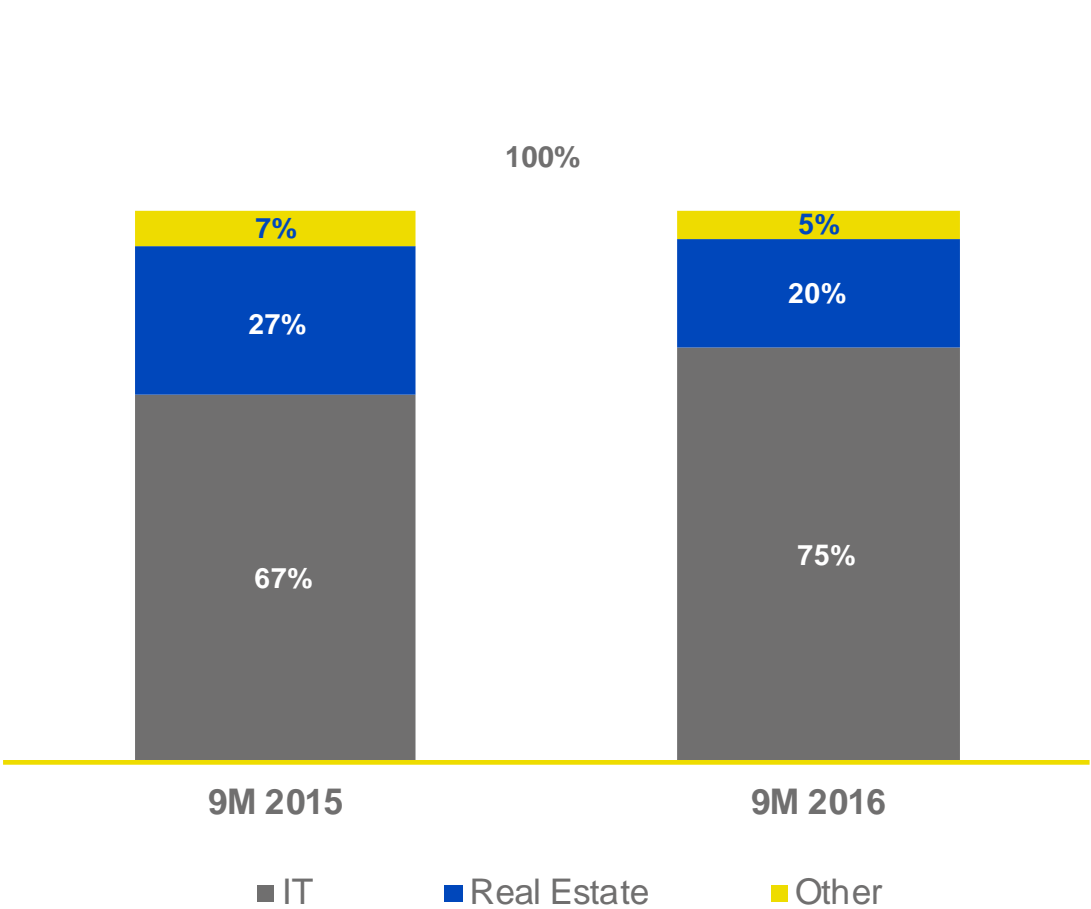


GROUP CAPITAL EXPENDITURES

Capex evolution (€m)

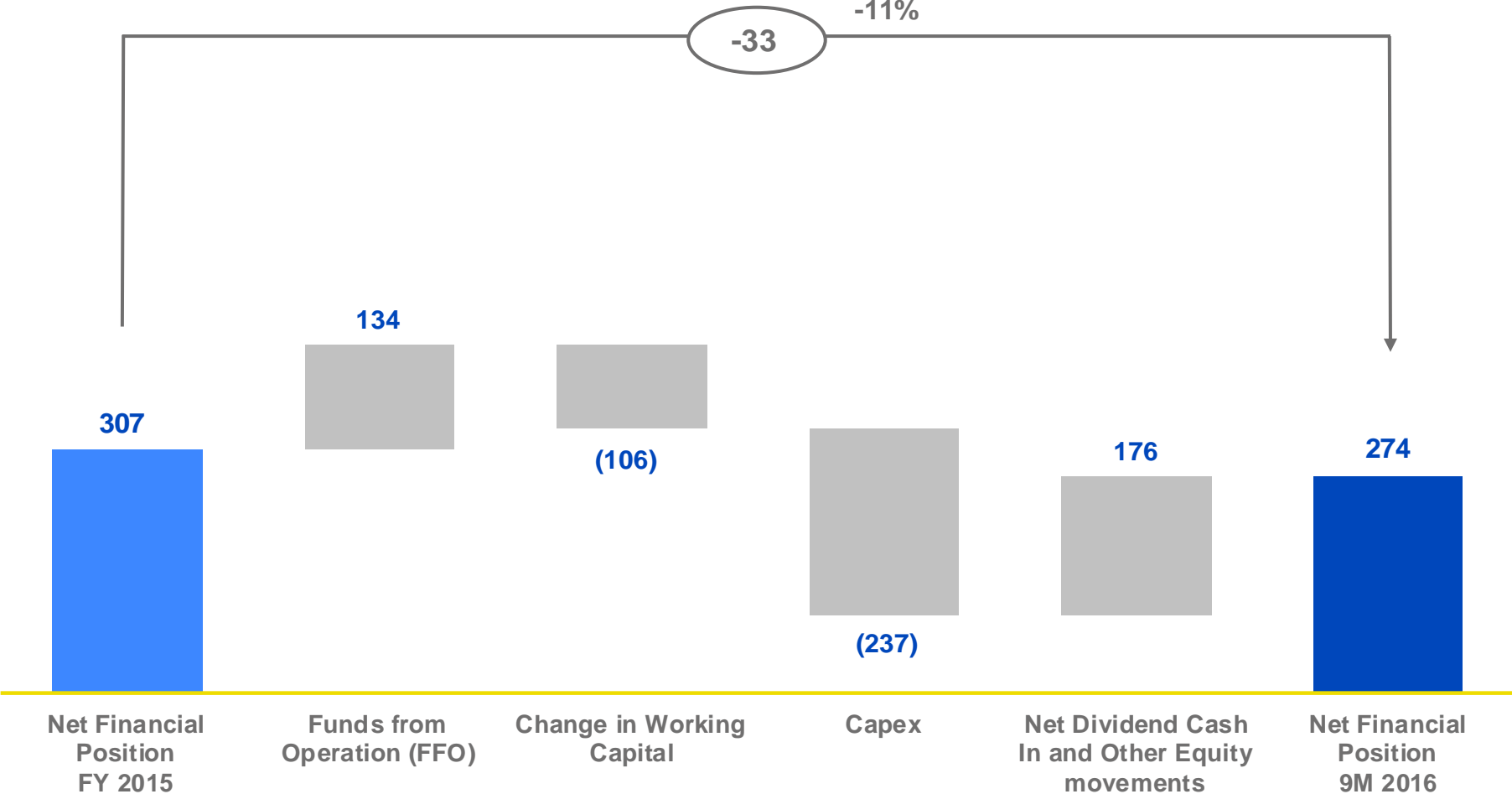


Capex Breakdown by Division (%)



INDUSTRIAL NET FINANCIAL POSITION

(€m)



ACCELERATING ON PLAN EXECUTION (1/2)

...ORGANICALLY

VALUE DRIVERS

Financial Services

FOCUS ON PROFITABILITY & ROE

- Superior ROE in Financial Services
- Ongoing optimization of client assets
- Disciplined Active Portfolio Management



9M16 ROE 34%



Well balanced mix
Clear resilience of postal savings
Material increase of deposits



Longer Duration from 5.5 to 5.7 years in Q316
Superior Yield >4%
Embedded Gains €4.3bn

Insurance Services & Asset Management

FOCUS ON GROWTH

- Growing Life GWP
- Growing in non-life
- Consolidating Growth in AuM



+6% vs 9M2015



+55.6% vs 9M2015



+30% vs 9M2015

Mail & Parcels

FOCUS ON TURNAROUND & GROWTH

- Accelerating the deployment of new delivery process
- Re-balancing revenue mix towards parcels
- Optimizing CAPEX



COGS -1.3%
Labour costs -0.8%



17% Parcels on total revenues vs 15.2% 9M2015



CAPEX €224m

**14.85% stake in
SIA acquired**



Cash-out: €278m

Multiple: EV/EBITDA
of 12.2x, vis-à-vis
similar transactions at
12/14x EV/EBITDA
multiples.

- Accelerating our expansion in digital payments platforms
- An initial footstep towards international markets



APPENDIX

GROUP PROFIT & LOSS STATEMENT

9M 2016

€m	9M 2015	9M 2016	Var.%
Revenue from sales and services	6,498	6,406	(1.4%)
Insurance premium revenue	14,543	15,388	5.8%
Other income from financial and insurance activities	2,828	3,887	37.4%
Other operating income	52	48	(7.7%)
Sales	23,921	25,729	7.6%
Personnel costs	(4,370)	(4,333)	(0.8%)
Other operating expenses	(2,721)	(2,312)	(15.0%)
Net change in technical provisions for insurance business and other claims expenses	(15,475)	(17,449)	12.8%
Depreciation & amortization	(425)	(439)	3.3%
EBIT	930	1,196	28.6%
Net interest income / (Expense)	41	21	(48.5%)
Profit before tax	971	1,217	25.3%
Tax	(349)	(410)	17.5%
Net income	622	807	29.7%

GROUP KEY BALANCE SHEET ITEMS

9M 2016

€m	FY 2015	9M 2016	Var.%
Cash & Equivalents	3,142	2,373	(24.5%)
BancoPosta related Cash	3,161	2,918	(7.7%)
Receivables & Inventory	2,158	2,253	4.4%
Financial Assets	160,090	179,572	12.2%
Tangible and Intangible Assets	2,796	2,602	(6.9%)
Other	4,489	4,910	9.4%
Total Assets	175,836	194,628	10.7%
Trade Payables	1,453	1,332	(8.3%)
Financial liabilities	57,478	63,397	10.3%
Technical Reserves	100,314	113,878	13.5%
Other	6,933	6,994	0.9%
Total Liabilities	166,178	185,601	11.7%
Shareholders capital	1,306	1,306	-
Reserves	8,352	7,721	(7.6%)
Totale Equity	9,658	9,027	(6.5%)
Total Liabilities & Equity	175,836	194,628	10.7%

GROUP CASH FLOW STATEMENT

9M 2016

€m	9M 2015	9M 2016	Var.%
Net income	622	807	29.7%
Depreciation and amortization	425	439	3.3%
Net provisions for risks and charges	138	150	8.7%
(Use of Provisions for risks and charges)	(263)	(383)	45.6%
Net change in employee termination benefits and pension plans	(49)	(65)	32.7%
(Gains) / Losses on disposals	0	1	n.m.
Other	14	38	n.m.
FFO	887	987	11.3%
Change in working capital	409	(115)	n.m.
Cash flow from operations	1,296	872	(32.7%)
Capital expenditures	(229)	(252)	10.0%
Net change in subsidiaries and associates	(211)	0	n.m.
Disposals	2	7	n.m.
Cash flow from investments	(438)	(245)	44.1%
Dividend paid	(250)	(444)	77.6%
State aid restitution	535	0	n.m.
Cash Flow from financial assets and liabilities	(991)	(952)	3.9%
Cash flow from financing	(706)	(1,396)	(97.7%)
Net change in cash	152	(769)	n.m.

GROUP WORKING CAPITAL

9M 2016

€m	9M 2015	FY 2015	9M 2016	Var.%
Trade receivables	3,362	2,346	2,326	(0.9%)
Inventories	140	134	137	2.2%
Other receivables and assets	3,186	3,200	3,589	12.2%
Current tax receivables	705	72	180	n.m.
Trade payables	(1,318)	(1,453)	(1,332)	(8.3%)
Other liabilities	(2,722)	(2,945)	(3,070)	4.2%
Current tax liabilities	(354)	(53)	(354)	n.m.
Working Capital	2,999	1,301	1,476	13.5%
Deferred tax asset	608	623	650	4.3%
Deferred tax liabilities	(1,108)	(1,177)	(927)	(21.2%)
Working Capital and deferred taxes	2,499	747	1,199	60.5%

CHANGE IN GROUP WORKING CAPITAL

9M 2016

€m	9M 2015	9M 2016	Var.%
Trade receivables	399	20	(95.0%)
Inventories	(1)	(3)	n.m.
Other receivables and assets	299	(389)	n.m.
Current tax receivables	(46)	(108)	n.m.
Trade payables	(104)	(121)	16.3%
Other liabilities	64	125	95.3%
Current tax liabilities	330	301	(8.8%)
Deferred tax assets	94	(27)	n.m.
Deferred tax liabilities	61	(250)	n.m.
Total	1,096	(452)	n.m.
Financial Income on discounted receivables	13	5	(61.5%)
Net write-downs and loss on receivables	(5)	(23)	n.m.
Deferred tax on fair value changes and TFR actuarial income	(160)	355	n.m.
Cancellation of shareholder receivables CE 16/07/08 (Legge di stabilità 2015)	(535)	0	n.m.
Adjustments (non monetary items and shareholders' transactions)	(687)	337	n.m.
Change in Working Capital per cash flow statement	409	(115)	n.m.

MAIL & PARCELS KEY BALANCE SHEET ITEMS

9M 2016

€m

Assets

Property, plant and equipment	2,043
Investment property	57
Intangible assets	397
Investments ¹	1,877
Financial assets	1,259
Trade receivables	4
Deferred tax assets	387
Other receivables and assets	152
Total Non-current assets	6,176
Inventories	133
Trade receivables	1,966
Current tax assets	83
Other receivables and assets	322
Financial assets	188
Cash and cash equivalents	1,061
Total Current assets	3,753
Total Assets	9,929

Equity and Liabilities

Totale Equity	2,647
Provisions for risks and charges	249
Employee termination benefits and pension plans	1,443
Financial liabilities	1,253
Deferred tax liabilities	30
Other liabilities	72
Total Non-current liabilities	3,047
Provisions for risks and charges	488
Trade payables	1,224
Current tax liabilities	53
Other liabilities	1,435
Financial liabilities	1,035
Total Current liabilities	4,235
Totale Equity and Liabilities	9,929

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

MAIL & PARCELS AND OTHER SERVICES NET DEBT BREAKDOWN

9M 2016

€m	FY 2015 ²	9M 2016	Var.%
Cash and Cash Equivalents	1,331	1,070	(19.6%)
Current Financial Assets	169	65	(61.5%)
Short term debt	(515)	0	n.m.
Current part of long term debt	(16)	(8)	(50.0%)
Other current financial liabilities	(20)	(23)	15.0%
Current Financial Position	(551)	(31)	94.4%
Current Net Financial Position	949	1,104	16.3%
Long term debt	(400)	(400)	-
Bonds	(797)	(798)	0.1%
Other non current financial liabilities	(57)	(56)	(1.8%)
Non Current Financial Position	(1,254)	(1,254)	-
Net Financial Position	(305)	(150)	50.8%
Non current financial assets	553	658	19.0%
Net Financial Position - Mail & Parcel and Other Services	248	508	n.m.
Intersegment financial receivables	674	724	7.4%
Intersegment financial payables	(615)	(958)	55.8%
Net Financial Position (net of intersegments)¹	307	274	(10.7%)

1. Including a Net Financial Position of Other Services (€54m for the first 9 months of 2016 and €38m in 2015)

2. Poste Tributi previously included in Mail & Parcel sector has been reclassified to Financial services

FINANCIAL SERVICES

PROFIT & LOSS

€m	9M 2015	9M 2016	Var.%
Total revenue	4,337	4,520	4.2%
o/w Market revenue	3,949	4,107	4.0%
o/w Intercompany revenue	388	413	6.5%
Personnel costs	(92)	(92)	n.m.
Other operating expenses	(3,574)	(3,724)	4.2%
EBITDA	671	705	5.0%
<i>EBITDA margin</i>	15.5%	15.6%	
Depreciation and amortisation	(1)	(1)	n.m.
EBIT	670	704	5.1%
<i>EBIT margin</i>	15.4%	15.6%	

INSURANCE AND ASSET MANAGEMENT

PROFIT & LOSS

€m	9M 2015	9M 2016	Var.%
Total revenue	16,962	18,725	10.4%
o/w Market revenue	16,962	18,725	10.4%
o/w Intercompany revenue	0	0	n.m.
Personnel costs	(23)	(29)	27.5%
Other operating expenses	(16,564)	(18,250)	10.2%
EBITDA	376	446	18.7%
<i>EBITDA margin</i>	2.2%	2.4%	
Depreciation and amortisation	(7)	(10)	n.m.
EBIT	368	436	18.5%
<i>EBIT margin</i>	2.2%	2.3%	

MAIL & PARCELS

PROFIT & LOSS

€m	9M 2015	9M 2016	Var.%
Total revenue	6,193	6,257	1.0%
o/w Market revenue	2,829	2,728	(3.6%)
o/w Intercompany revenue	3,364	3,529	4.9%
Personnel costs	(4,239)	(4,200)	(0.9%)
Other operating expenses	(1,702)	(1,618)	(4.9%)
EBITDA	251	439	74.9%
<i>EBITDA margin</i>	4.1%	7.0%	
Depreciation and amortisation	(389)	(404)	3.9%
EBIT	(137)	35	n.m.
<i>EBIT margin</i>	-2.2%	0.6%	

OTHER SERVICES

POSTE MOBILE KEY FINANCIALS

P&L - €m	9M 2015	9M 2016	Var.%
Total revenue	249	207	(17.0%)
o/w Market revenue	181	169	(6.5%)
o/w Intercompany revenue	69	38	(44.7%)
Personnel costs	(17)	(14)	(17.7%)
Other operating expenses	(176)	(149)	(15.5%)
EBITDA	57	44	(21.5%)
EBITDA margin	22.7%	21.4%	
Depreciation and amortisation	(28)	(24)	(15.1%)
EBIT	29	21	(27.8%)
EBIT margin	11.5%	10.0%	
Non-operating income/(expenses)	(1)	(1)	17.0%
Profit before taxes	28	20	(29.0%)
Taxes	(10)	(7)	(30.1%)
Profit after taxes	18	13	(28.3%)

Cash flow statement - €m

	9M 2015	9M 2016	Var.%
FFO	44.6	34.9	(21.7%)
Cash flow from investments	(12.0)	21.2	276.9%
Net change in cash	(5.5)	(6.7)	(21.6%)

Other key data

Average number of users (sim cards -#k)	3,432	3,632	5.8%
ARPU (€) ¹	5.3	4.8	(9.1%)

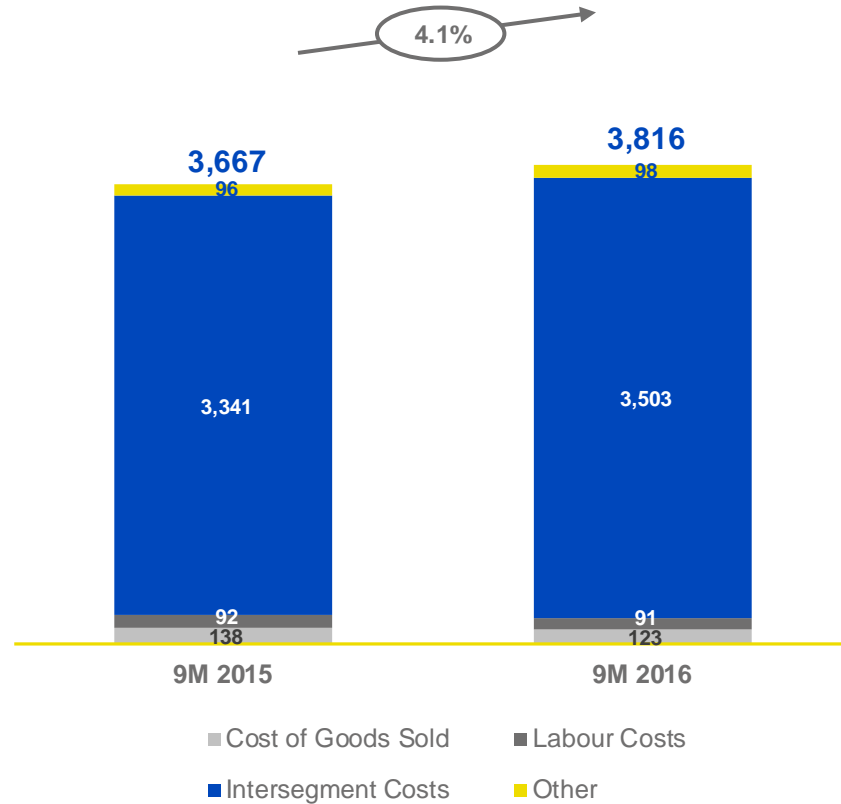
1. calculated on total sim cards (active and non active sim cards)

FINANCIAL SERVICES

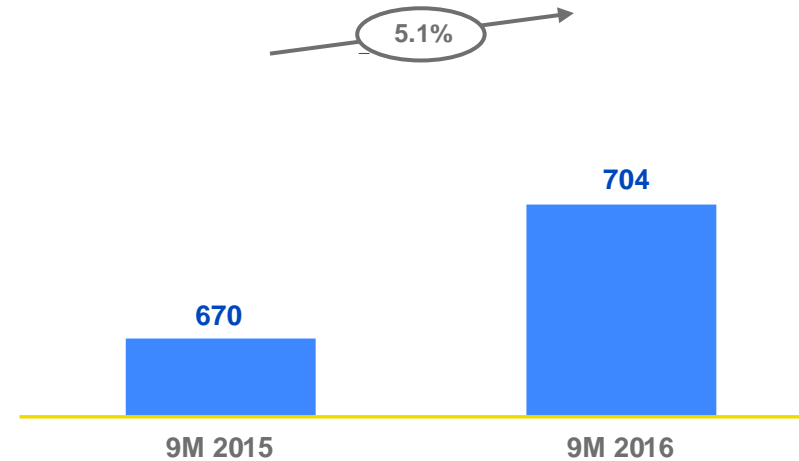
COST STRUCTURE AND PROFITABILITY AT DIVISIONAL LEVEL

(€m)

Operating Costs



Operating Profit¹

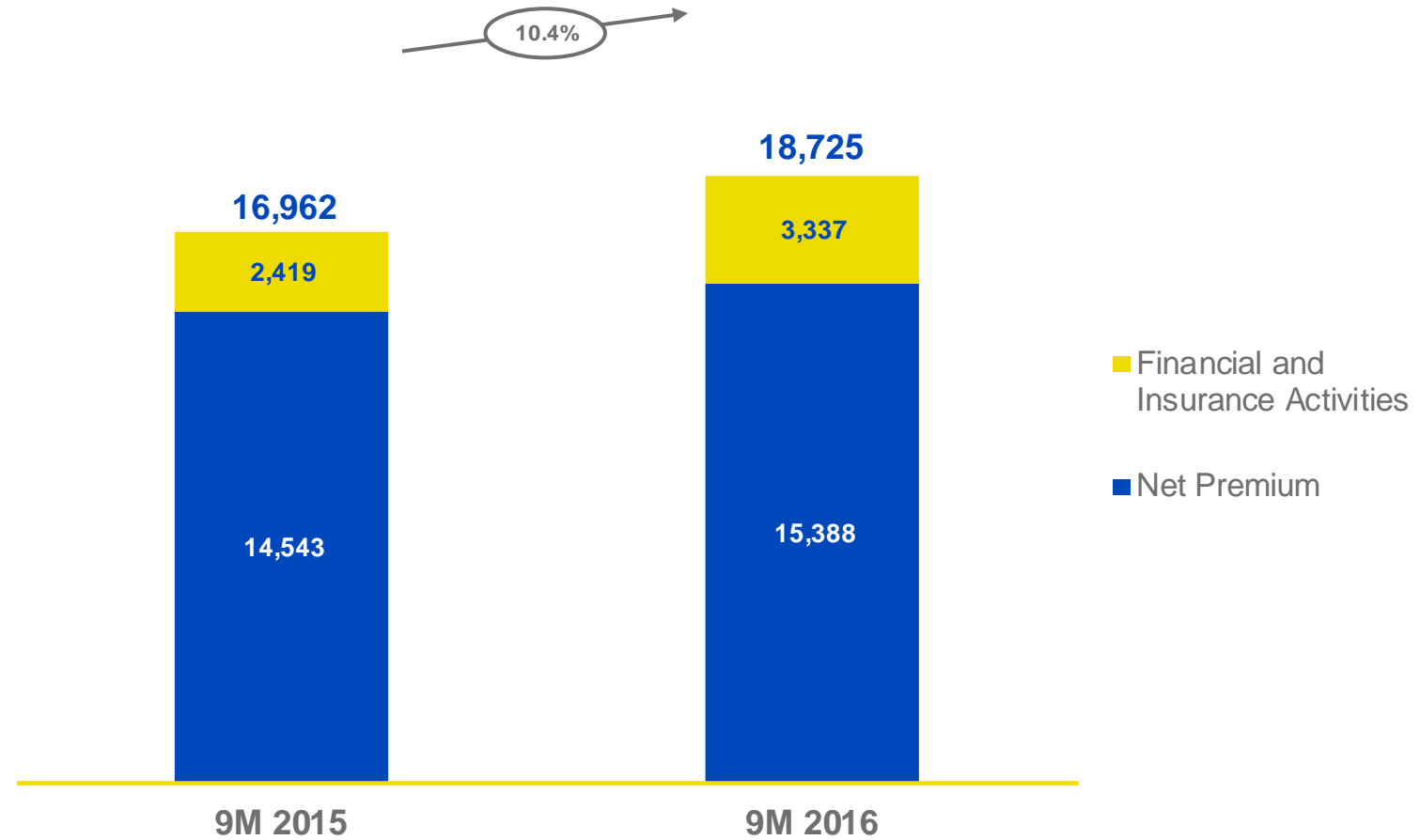


1. Includes intersegment revenues

FOCUS ON INSURANCE AND ASSET MANAGEMENT

REVENUES BREAKDOWN

(€m)



INSURANCE AND ASSET MANAGEMENT

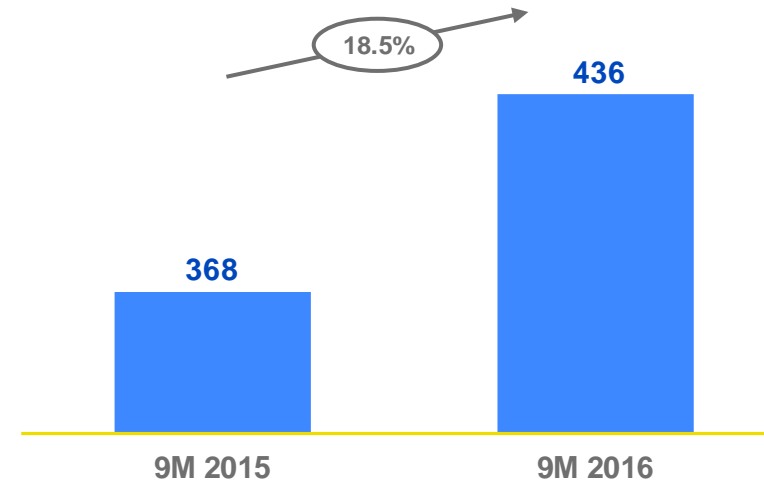
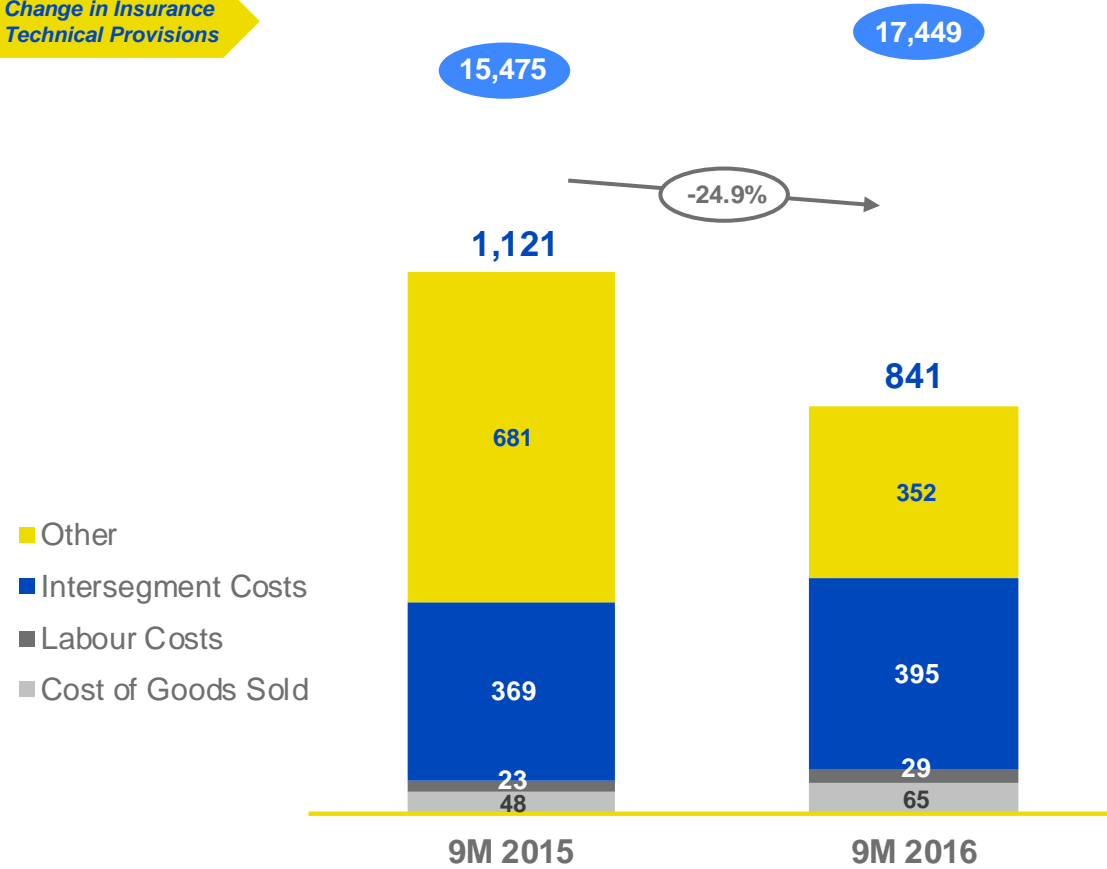
COST STRUCTURE AND PROFITABILITY AT DIVISIONAL LEVEL

(€m)

Operating Costs

Operating Profit¹

Change in Insurance
Technical Provisions



1. Includes intersegment revenues

SEGMENT FLOW DESCRIPTION

9M 2016

(€m)

	Mail & Parcels Including Network	Financial Services	Insurance and Asset Management	Poste Italiane Group ²
Market Revenues	2,728	4,107	18,725	25,729
Intersegment Revenues	3,529	413	0	0
Totale Revenues	6,257	4,520	18,725	25,729
Personnel Costs	(4,200)	(91)	(29)	(4,333)
Other operating costs ¹	(1,954)	(221)	(417)	(2,751)
Net change in Technical Provisions	0	0	(17,449)	(17,449)
Intersegment Costs	(68)	(3,503)	(395)	0
Operating Costs	(6,222)	(3,816)	(18,289)	(24,533)
Operating Profit (Loss)	35	704	436	1,196

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

DISCLAIMER

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