

RECORD RESULTS FOR POSTE ITALIANE

Net profit up 94 %. Operating profit up 46.%

- **Net profit of € 676 million up 94 % (€349 million in 2005)**
- **Operating profit of € 1,5 billion up 46 %**
- **Total revenue of over €17 billion rises 3.5 %**
- **BancoPosta: current accounts up 6.5% to 4.9 million**
- **Postepay card registers extraordinary success with 2.8 million prepaid cards (up 65%)**

Rome, 26 March 2007 - Poste Italiane's Board of Directors have approved the consolidated financial statements for 2006 and the Parent Company's separate financial statements for the same year. Both documents were prepared under IFRS.

The Poste Italiane Group reports continuing growth in 2006, after another record year. The results show **net profit** is up to € 675,6 million (€348.9 million in 2005), marking an increase of 93,6 %.

Operating profit was also strongly ahead at € 1,48 billion (€1 billion in 2005), representing a rise of 46 %.

Total revenue rose to €17.1 billion, thanks to good performances across all business segments: Financial Services (up 9.5%), Postal Services (up 2.5%) and Insurance Services (up 0.3%).

The Parent Company's net profit is € 483 million (€248 million in 2005), marking an increase of 94,8 %.

Bancoposta: revenues up 9.5%, Postepay cards near 3 million and debit cards top 6 million
BancoPosta has further extended its leadership in Italy, with 4.9 million current accounts (5 million in March 2007), 5.6 million debit cards (now 6 million), and 2.8 million Postepay prepaid cards at the end of 2006. The number of Postepay cards is expected to pass 3 million in the coming days. Revenues from financial services, which continue to drive the Group's growth, amounted to €4.4 billion in 2006, representing an increase of €381 million on 2005 (up 9.5%). This result was achieved thanks mainly to double-digit growth in revenues from current accounts (up 14% on 2005) and the healthy performance of savings and asset management, with revenues up 17% on 2005. Above all, efforts designed to strengthen BancoPosta's market position continued via an extensive offering of services specially created for specific customer segments: young people, families, immigrants and businesses.

Postal services: quality targets met, whilst volumes exceed 7 billion
Postal Services performed well, with approximately 7.3 billion items processed during 2006 and revenues up 2.5% to €5.4 billion. This reflected both the positive results registered by the

Parent Company and the contribution of the subsidiaries, Postel (up 8.9%) and SDA (up 12.6%), in their respective sectors. In the case of Poste Italiane SpA, growth was driven by increased revenues from **Mail** services, which saw a rise of 2.6% (up €95.5 million on 2005). This was primarily due to growth in Priority Mail and the introduction of the *Posta Massiva* product aimed at business customers. **In particular, the Company achieved its quality targets** (88% of deliveries in j+1, or within 24 hours of the day of postage) **for priority mail, despite a large increase in volumes following the withdrawal of ordinary mail services.**

Poste vita: premiums collected (up 2.6%) beat market as a whole

Insurance Services consolidated their market position in 2006, recording revenues up 0.3% to approximately €7 billion. **Poste Vita continues to grow, confirming its place as one of Italy's leading insurance providers.** Premiums collected were up 2.6%, despite a decline of 8.2% in the life market as a whole compared with 2005.

Capital expenditure remained high, with around 50% spent on Information Technology

The Group's commitment to ongoing investment continues: the Poste Italiane Group's capital expenditure amounted to €556 million in 2006, with the lion's share represented by the Parent Company, which accounted for €518 million. Of the sum spent by the Company, **48% regarded Information & Communication Technology (ICT)**, in line with the Company's strategy identifying technological innovation as a critical success factor. A further **38% of capital expenditure regarded improvements to the logistics chain, whilst the remaining 18% was spent on the restyling, modernisation and upgrading Post Offices.**