

## POSTE ITALIANE: ANNUAL REPORT 2007

*Sixth consecutive year in profit: net profit up 25%, operating profit up 19%  
Improvements across all business segments*

- **Consolidated net profit €844 million: up 25% (€676 million in 2006)**
- **Consolidated operating profit €1.8 billion: up 19%**
- **EBIT margin: at 15.5% highest among European postal services providers**
- **Fitch confirms A+ rating with stable outlook. S&P's includes Company among top runners**

Rome, 26 March 2008 – Poste Italiane's Board of Directors led by Chairman Vittorio Mincato have approved the consolidated financial statements for 2007 and the Parent Company's separate financial statements for the same year. Both documents were prepared under international financial reporting standards (IFRS). Parent Company's consolidated will be submitted to the Annual General Meeting of shareholders for approval next 28<sup>th</sup> April (1<sup>st</sup> call) and 28<sup>th</sup> May (2<sup>nd</sup> call).

The shareholders will also be called to appoint the new Board of Directors in charge for 2008-2009

The Poste Italiane Group, led by Massimo Sarmi, announces a positive operating performance for the sixth consecutive year, with **net profit** of €843.6 million up 25% on the previous year (€675.7 million), **operating profit** of €1.77 billion up 19% (€1.49 billion in 2006) and an **EBIT margin** of 15.5%, which is once again the highest among European postal services providers.

**Total revenue** of €17.2 billion (€17.1 billion in 2006) primarily reflects the good performances recorded by all business segments, with improvements in operating profit (Financial Services up 2.7% and Postal Services up 3.8%) and **external revenue** at the Parent Company rising 3.8% to €9.1 billion.

**The Parent Company's net profit** is €704.4 million (€483.3 million in 2006), marking an increase of 45.7% on the previous year.

Six consecutive years of strong earnings growth are the result of constant extension of the Group's offerings, ongoing improvements in efficiency and the introduction of best human resource management practices. The strategy has focused on launching innovative, secure and accessible postal, financial and mobile telecommunications products. As our customer base has grown, the international rating agencies have shown their appreciation: **Fitch** has confirmed its positive rating (A+ and stable outlook), whilst **Standard&Poor's** has included Poste Italiane among its top runners in the sector thanks to our business diversification capability.

### **Postal Services: earnings performance consolidated**

Postal Services saw revenues rise 3.8% on 2006 (up from €5,351 million in the previous year to €5,553 million in 2007), whilst providing among the highest quality services in Europe. The improvement marks a

significant achievement in a mature and competitive market. Mail services saw external revenue rise 5.1% (up 192 million on 2006), reflecting the positive performances of both basic services and the new services added. The introduction of innovative operating processes continued, enabling the real-time monitoring of all stages of the mail handling process (collection, sorting, delivery).

### **BancoPosta: revenues up 2.5 %, 3.5 million Postepay cards and 5.9 million debit cards**

2007 saw BancoPosta achieve further growth, reinforcing its leadership in Italy with 5.2 million current accounts, 5.9 million debit cards and 3.5 million Postepay prepaid cards at the end of the year. The Group's revenues from financial services for 2007 amount to €4.5 billion, marking an increase of €117 million on 2006 (up 2.7%). The results were achieved primarily thanks to the good performances of current account services and inflows for postal savings products. Product innovation and close attention to meeting customer needs allowed this area of business to consolidate its earnings performance, within a highly competitive and rapidly changing market environment.

### **Capital expenditure remains high, with around 44% invested in IT**

The Group's commitment to innovation continues. In 2007 the Poste Italiane Group's capital expenditure amounted to €608 million. 44% of the total regarded Information & Communication Technology (ICT), in line with the Company's strategy identifying technological innovation as a critical success factor. A further 30% of capital expenditure regarded improvements to the logistics chain, whilst the remaining 26% was spent on the restyling, modernisation and upgrading of Post Offices.

#### **For further information contact:**

**Simona Giorgetti**, *Head of Poste Italiane Press Office*

**Patrizia Lombardo**, *National Press Office*

**Pierpaolo Cito**, *Events Press Office*

**Francesca Squadroni**, *International Press Office*

tel. 0659580470, cell. 335 7567012 – [giorge39@posteitaliane.it](mailto:giorge39@posteitaliane.it)

tel. 0659580470, cell. 335 7666023 - [lombardop4@posteitaliane.it](mailto:lombardop4@posteitaliane.it)

tel. 0659589008, cell 335 1823403 - [citopier@posteitaliane.it](mailto:citopier@posteitaliane.it)

tel. 0659588139, cell. 335 6270843 - [squadron@posteitaliane.it](mailto:squadron@posteitaliane.it)