

Poste Italiane Group reports growth in earnings, revenue and operating profit in 2010

Ninth consecutive annual profit despite continuing weakness of global economy

- **Consolidated net profit up 12.6% to €1,018 million**
- **Operating profit up 16.9% to €1,870 million**
- **Total revenue up 8.7% to €21.8 billion**
- **Postepay prepaid cards up 21.5%**
- **PosteVita: record turnover of €9.5 billion up 34%**
- **PosteMobile: operating profit of €9.5 million up 218.5 %**

Rome, 7 March 2011 – The Group's consolidated financial statements and the Parent Company's separate financial statements for the year ended 31 December 2010, both prepared under IFRS, have been approved by a meeting of Poste Italiane's Board of Directors, chaired by Giovanni Ialongo.

For the ninth year running the Group led by Massimo Sarmi reports a profit. Thanks to its operating performance, reflecting its commitment to boosting efficiency and keeping a tight control over costs, the Poste Italiane Group reports a **net profit of €1,018 million** (up 12.6% on 2009). The result is of particular significance given that it was achieved against a backdrop of continuing economic weakness, making it increasingly difficult to maintain current levels of profitability. The result also confirms the fact that the Group's performance has been driven by its ability to innovate over the last ten years, modernising its processes and extending the range of products and services on offer.

Total revenue is up to €21.8 billion, marking an increase of **8.7%** compared with 2009 (€20.1 billion). The improvement in **operating profit**, totalling **€1,870 million** (up **16.9%** on 2009), is also significant. A major contribution to the result was provided by the positive performance of **Insurance Services**, which saw the value of premiums written rise to €9.5 billion from €7.1 billion in 2009, marking growth of 34% on the previous year.

"Improvements across all indicators and strong profit growth," declared CEO, Massimo Sarmi, *"show that the Group was capable of turning in a good performance even in a difficult year such as 2010, and despite the progressive decline in postal volumes. This was achieved thanks to our ability to launch a continuous stream of innovative products and services and to successfully enter new markets. The Group's strength and the excellent results reported in these financial statements give us grounds for optimism as we prepare to face the challenge presented by postal market liberalisation. I would like to stress,"* commented Sarmi, *"that 2010 not only saw us achieve excellent results, but also take on a leading international role, acting as advisor to many countries in the Mediterranean area and in eastern Europe. As a result, we are helping them to introduce new technologies into their logistics and postal networks and with the introduction of financial and digital communication services, where we are leading the way in Europe".*

Postal Service revenues are down 3.1% on 2009, resulting from the impact of the progressive reduction in postal volumes. This factor is common to all developed economies, reflecting the gradual replacement of paper correspondence by digital forms of communication via the internet, the impact of the recession on what is a mature market and the process of postal market deregulation .

Financial Services witnessed a slight reduction in revenues (down 0.4% or €18 million) compared with 2009, a year that, however, benefitted from an exceptional inflow into postal savings products (investment in postal savings certificates and deposits in postal savings books managed on behalf of Cassa Depositi e Prestiti SpA).

Income from **current accounts (€2.6 billion, up 1.7%** on 2009) performed well thanks to increased income from the investment of deposits (up 4.2%), which rose as a result of both a 3.5% increase in average deposits (€34.7 billion in 2009, compared with €35.9 billion in 2010), and positive returns on the investment in securities of the postal current account deposits of private customers. The number of **Postepay** cards in circulation also rose strongly, increasing **21.5%** compared with 2009 and confirming our market leadership with 6.8 million cards issued.

The Poste Italiane Group raised its international profile in 2010, entering into a large number of technology cooperation agreements. The resulting partnerships are proof of the Company's ability to establish networks and contribute to developing the logistics and postal infrastructures of other countries by sharing its business model and its experience in the field of technological innovation. Poste Italiane now exports its know-how to **Russia, Egypt, Albania and Lebanon** and is partnering postal service providers in **Argentina, Saudi Arabia, the United Arab Emirates, Morocco, the Netherlands, San Marino, Chile and the Vatican City**.

With premiums written of €9,501 million (€7,091 million in 2009), **Poste Vita**, the Group's insurance company, achieved record turnover in 2010, achieving growth of 34% compared with 2009 and increasing its market share by around two percentage points to nearly 11%.

In its first nine months in operation, **Poste Assicura**, the Group's non-life company, which has been operating since 1 April 2010, made excellent progress: a total of approximately **179 thousand policies** were sold and total inflows, well distributed among the various product lines, amount to **around €24.7 million**.

PosteMobile, the mobile virtual network operator established by Poste Italiane, the world's first postal services provider to enter the mobile telecommunications market, reached breakeven point in 2010. The company reported an **operating profit** of approximately **€9.5 million**, marking an improvement of 218.5% on 2009, when the company made an operating loss of around €8 million. The company has so far sold a total of 2 million SIM cards.

In recognition of our results and ability to innovate, the Poste Italiane Group has consolidated its position in **Fortune's** list of the "World's Most Admired Companies", ranking fifth among the world's leading delivery companies and third among Italian businesses.

Summary financial information is available on the Company's website at www.poste.it in the "About us" section.

The manager responsible for Poste Italiane SpA's financial reporting, Alessandro Zurzolo, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records.