

THE BOARD OF DIRECTORS APPROVES FULL YEAR 2017 RESULTS, CONFIRMING PRELIMINARY RESULTS PUBLISHED ON 19 FEBRUARY

Rome, 29 March 2018 – The Board of Directors of Poste Italiane S.p.A. (“Poste Italiane”), chaired by Maria Bianca Farina, has examined and approved today the Annual Financial Report for 2017, including Poste Italiane’s separate financial statement for the year 2017 and the Poste Italiane Group’s consolidated financial statement for the year 2017, which confirm the preliminary consolidated results for 2017 previously announced on 19 February 2018.

The Board of Directors also decided to propose the payment of €0.42 dividend per share, to be paid entirely from the parent company’s net profit for 2017. The proposed ex-dividend date is 18 June 2018, the record date 19 June 2018 and the payment date 20 June 2018.

Poste Italiane’s separate financial statements for the year ended 31 December 2017 will be submitted for approval – together with the proposal for payment of the dividend – to the Annual General Meeting of shareholders scheduled for 29 May 2018. The notice of call will be published in due course.

The Annual Financial Report for 2017 will be made available to the public within the terms laid down by law (i.e., by 30 April 2018) on the following webpage:

<https://www.posteitaliane.it/en/reports.html>

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The Poste Italiane Group’s consolidated balance sheet, statement of profit/(loss), and statement of cash flows are attached to this release. The corresponding statements for Poste Italiane SpA are also attached. The financial statements and the related notes have been delivered to the Board of Statutory Auditors and will be audited by Poste Italiane’s Independent Auditors.

The manager responsible for financial reporting, Luciano Loiodice, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this release corresponds to the underlying accounting records.

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Condensed segment information

In accordance with IFRS 8 – Operating Segments, an operating segment is a component of the Group: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group), b) whose operating results are reviewed regularly by the Group’s highest operating decision makers about resources to be allocated to the segment and assess its performance and c) for which discrete financial information is available.

As previously stated in the release of 19 February 2018, announcing the preliminary results for 2017, in view of the Group’s new strategic guidelines and the internal reorganisation announced on 27 February 2018 during the presentation of Deliver 2022, the segment

information provided in the Annual Report approved today has changed. The operating segments reflects the four principal areas of business in which the Poste Italiane Group operates:

- **Mail, Parcel and Distribution**, with the same perimeter of the former Postal and Business Services operating segment and highlighting the key role of distribution activities;
- **Payments, Mobile and Digital**, which includes the activities carried out by the new function within the Parent Company, with a particular focus on the development of collection, payment and digital services, and the mobile telecommunications services;
- **Financial Services**, which includes the activities of asset gathering and asset management and the transaction banking services not included in the Payments, Mobile and Digital segment;
- **Insurance Services**, which includes the activities of Poste Vita Group.

The main financial data referred to the operating segments of Poste Italiane Group are shown below:

Mail, Parcel and Distribution

Results (€m):

| | 2017 | 2016 | Var. |
|--------------------------------|-------------|-------------|-------------|
| Segment revenue | 3,631 | 3,822 | - 5.0% |
| Intersegment revenue | 4,497 | 4,540 | - 0.9% |
| Gross revenue | 8,128 | 8,362 | - 2.8% |
| Operating profit/(loss) | (517) | (436) | -18.6% |

PAYMENTS, MOBILE AND DIGITAL

Results (€m):

| | 2017 | 2016 | Var. |
|--------------------------------|-------------|-------------|-------------|
| Segment revenue | 586 | 570 | 2.8% |
| Intersegment revenue | 328 | 359 | - 8.6% |
| Gross revenue | 914 | 929 | - 1.6% |
| Operating profit/(loss) | 195 | 213 | - 8.5% |

FINANCIAL SERVICES

Results (€m):

| | 2017 | 2016 | Var. |
|--------------------------------|-------------|-------------|-------------|
| Segment revenue | 4,956 | 5,009 | - 1,1% |
| Intersegment revenue | 1,014 | 982 | 3,3% |
| Gross revenue | 5,970 | 5,991 | - 0,4% |
| Operating profit/(loss) | 646 | 660 | - 2,1% |

INSURANCE SERVICES

Results (€m):

| | 2017 | 2016 | Var. |
|--------------------------------------|-------------|-------------|-------------|
| Segment revenue^(*) | 1,456 | 1,242 | 17.2% |
| Intersegment revenue | 1 | - | n.s. |
| Gross revenue^(*) | 1,457 | 1,242 | 17.3% |
| Operating profit/(loss) | 799 | 604 | 32.3% |

^(*)In line with the new format for the consolidated statement of profit/(loss) for the year, the items refer to the sum of gross premiums net of reinsurance, income and losses from financial instruments attributable to insurance activities and the movement in technical provisions and claims expenses.

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ALTERNATIVE PERFORMANCE INDICATORS

The meaning and the content of alternative performance indicators, not provided for in IAS/IFRS, are described below. These indicators are used to provide a clearer basis for assessment of the Group's operating and financial performance.

NET FINANCIAL POSITION OF THE GROUP: is the sum of financial liabilities, technical reserves for the insurance business, financial assets, technical reserves attributable to reinsurers, cash and deposits attributable to BancoPosta and cash and cash equivalents.

Composition of net financial position* (€m):

| | Mail, Parcel and Distribution | Payments, Mobile and Digital | Financial Services | Insurance Services | Adjustments | Consolidated |
|---|--------------------------------------|-------------------------------------|---------------------------|---------------------------|--------------------|---------------------|
| Balance at 31 December 2017 | | | | | | |
| Financial liabilities | 2,249 | 2,970 | 62,063 | 1,017 | (5,055) | 63,244 |
| Technical reserves for the insurance business | | | | 123,650 | | 123,650 |
| Financial assets | (1,097) | (3,283) | (60,688) | (125,860) | 4,162 | (186,766) |
| Technical reserves attributable to reinsurers | | | | (71) | | (71) |
| Cash and deposits attributable to BancoPosta | | | (3,196) | | | (3,196) |
| Cash and cash equivalents | (1,997) | (21) | (396) | (907) | 893 | (2,428) |
| Net financial position* | (845) | (334) | (2,217) | (2,171) | | (5,567) |
| Balance at 31 December 2016 | | | | | | |
| Financial liabilities | 2,087 | 2,284 | 59,219 | 1,012 | (3,681) | 60,921 |
| Technical reserves for the insurance business | | | | 113,678 | | 113,678 |
| Financial assets | (1,236) | (2,609) | (58,529) | (115,596) | 3,608 | (174,362) |
| Technical reserves attributable to reinsurers | | | | (66) | | (66) |
| Cash and deposits attributable to BancoPosta | | | (2,494) | | | (2,494) |
| Cash and cash equivalents | (1,556) | (21) | (1,320) | (1,324) | 319 | (3,902) |
| Net financial position* | (705) | (346) | (3,124) | (2,296) | 246 | (6,225) |

* Net financial position: (Surplus) / Net debt

The net financial position of the operating sector Mail, Parcel and Distribution is relevant for the distribution of dividends.

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POSTE ITALIANE GROUP'S FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

| | (€m) | | | |
|---|------------------------|--|------------------------|--|
| ASSETS | at 31 December 2017 | of which, related party transactions | at 31 December 2016 | of which, related party transactions |
| Non-current assets | | | | |
| Property, plant and equipment | 2,001 | - | 2,080 | - |
| Investment property | 52 | - | 56 | - |
| Intangible assets | 516 | - | 513 | - |
| Investments accounted for using the equity method | 508 | 508 | 218 | 218 |
| Financial assets | 171,004 | 3,059 | 155,819 | 2,059 |
| Trade receivables | 9 | - | 4 | - |
| Deferred tax assets | 869 | - | 799 | - |
| Other receivables and assets | 3,043 | 1 | 2,682 | 1 |
| Technical provisions attributable to reinsurers | 71 | - | 66 | - |
| Total | 178,073 | | 162,237 | |
| Current assets | | | | |
| Inventories | 138 | - | 137 | - |
| Trade receivables | 2,026 | 688 | 2,168 | 789 |
| Current tax assets | 93 | - | 15 | - |
| Other receivables and assets | 954 | 5 | 989 | 10 |
| Financial assets | 15,762 | 6,211 | 18,543 | 6,191 |
| Cash and deposits attributable to Banc.oPosta | 3,196 | - | 2,494 | - |
| Cash and cash equivalents | 2,428 | 385 | 3,902 | 1,310 |
| Total | 24,597 | | 28,248 | |
| Non-current assets and disposal groups held for sale | - | - | 2,720 | 49 |
| TOTAL ASSETS | 202,670 | | 193,205 | |
| LIABILITIES AND EQUITY | | | | |
| | at 31 December 2017 | of which, related party transactions | at 31 December 2016 | of which, related party transactions |
| Equity | | | | |
| Share capital | 1,306 | - | 1,306 | - |
| Reserves | 1,611 | - | 2,374 | - |
| Retained earnings | 4,633 | - | 4,454 | - |
| Equity attributable to owners of the Parent | 7,550 | | 8,134 | |
| Equity attributable to non-controlling interests | - | - | - | - |
| Total | 7,550 | | 8,134 | |
| Non-current liabilities | | | | |
| Technical provisions for insurance business | 123,650 | - | 113,678 | - |
| Provisions for risks and charges | 692 | 58 | 658 | 50 |
| Employee termination benefits | 1,274 | - | 1,347 | - |
| Financial liabilities | 5,044 | - | 8,404 | - |
| Deferred tax liabilities | 546 | - | 746 | - |
| Other liabilities | 1,207 | - | 1,071 | - |
| Total | 132,413 | | 125,904 | |
| Current liabilities | | | | |
| Provisions for risks and charges | 903 | 13 | 849 | 10 |
| Trade payables | 1,332 | 194 | 1,506 | 205 |
| Current tax liabilities | 23 | - | 88 | - |
| Other liabilities | 2,249 | 70 | 2,147 | 89 |
| Financial liabilities | 58,200 | 3,541 | 52,517 | 2,430 |
| Total | 62,707 | | 57,107 | |
| Liabilities related to assets held for sale | - | - | 2,060 | 130 |
| TOTAL EQUITY AND LIABILITIES | 202,670 | | 193,205 | |

CONSOLIDATED STATEMENT OF NET PROFIT (LOSS) OF THE YEAR

| | (€m) | | | |
|---|--|---|--|---|
| | For the year ended 31 December 2017 | <i>of which, related party transactions</i> | For the year ended 31 December 2016 | <i>of which, related party transactions</i> |
| Revenue from Mail, Parcel & other | 3,631 | 513 | 3,822 | 549 |
| Revenue from Payments, Mobile & Digital | 586 | 64 | 570 | 84 |
| Revenue from Financial Services | 4,956 | 1,663 | 5,009 | 1,684 |
| <i>of which, non-recurring income</i> | 91 | | 121 | |
| Revenue from Insurance Services after movements in technical provisions and other claims expenses | 1,456 | 15 | 1,242 | 15 |
| Insurance premium revenues | 20,343 | - | 19,884 | - |
| Income from insurance activities | 3,925 | 15 | 3,827 | 15 |
| Net change in technical provisions for insurance business and other claim expenses | (22,335) | - | (21,958) | - |
| Expenses from insurance activities | (477) | - | (511) | - |
| Net operating revenue | 10,629 | | 10,643 | |
| Cost of goods and services | 2,370 | 195 | 2,442 | 192 |
| Expenses from financial activities | 57 | 3 | 62 | 1 |
| Personnel expenses | 6,093 | 40 | 6,241 | 43 |
| Depreciation, amortisation and impairments | 545 | - | 581 | - |
| Capitalised costs and expenses | (24) | - | (25) | - |
| Other operating costs | 465 | 15 | 301 | 3 |
| <i>of which, non-recurring costs</i> | - | | 37 | |
| Operating profit/(loss) | 1,123 | | 1,041 | |
| Finance costs | 188 | 1 | 100 | 1 |
| <i>of which, non-recurring costs</i> | 82 | | - | |
| Finance income | 115 | - | 109 | - |
| <i>of which, non-recurring income</i> | 3 | | - | |
| Profit/(Loss) on investments accounted for using the equity method | 17 | - | 6 | - |
| Profit/(Loss) before tax | 1,067 | | 1,056 | |
| Income tax for the year | 378 | - | 434 | - |
| <i>of which, non-recurring expense/(income)</i> | (9) | | 14 | |
| PROFIT FOR THE YEAR | 689 | | 622 | |
| of which, attributable to owners of the Parent | 689 | | 622 | |
| of which, attributable to non-controlling interests | - | | - | |
| | | | | |
| Earnings per share | 0.528 | | 0.476 | |
| Diluted earnings per share | 0.528 | | 0.476 | |

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)

| | For the year ended 31 December 2017 | For the year ended 31 December 2016 |
|---|---|---|
| Cash and cash equivalents at beginning of year | 3,902 | 3,142 |
| Profit/(Loss) before tax | 1,067 | 1,056 |
| Depreciation, amortisation and impairments | 545 | 581 |
| Net provisions for risks and charges | 707 | 563 |
| Use of provisions for risks and charges | (617) | (448) |
| Provisions for employee termination benefits | 1 | 1 |
| Employee termination benefits | (96) | (82) |
| Impairment of disposal groups | 3 | 37 |
| (Gains)/Losses on disposals | (2) | 3 |
| Impairment on available-for-sale financial assets | 12 | 12 |
| Impairment loss on Contingent Convertible Notes | 82 | - |
| (Dividends) | - | - |
| Dividends received | - | - |
| (Finance income realised) | (9) | (7) |
| (Finance income in form of interest) | (94) | (99) |
| Interest received | 102 | 94 |
| Interest expense and other finance costs | 80 | 85 |
| Interest paid | (57) | (60) |
| Losses and impairments/(Recoveries) on receivables | 55 | 22 |
| Income tax paid | (472) | (317) |
| Other changes | (1) | (2) |
| Cash flow generated by operating activities before movements in working capital | 1,306 | 1,439 |
| <i>Movements in working capital:</i> | | |
| (Increase)/decrease in Inventories | (1) | (3) |
| (Increase)/decrease in Trade receivables | 80 | 86 |
| (Increase)/decrease in Other receivables and assets | (202) | (357) |
| Increase/(decrease) in Trade payables | (176) | 62 |
| Increase/(decrease) in Other liabilities | 97 | 129 |
| Movement in group of assets and liabilities held for sale | (12) | - |
| Cash flow generated by / (used in) movements in working capital | (214) | (83) |
| Increase/(decrease) in liabilities attributable to financial activities | 2,911 | 5,225 |
| Net cash generated by/(used for) financial assets attributable to financial activities held for trading | - | - |
| Net cash generated by/(used for) available-for-sale financial assets attributable to financial activities | (2,497) | (5,114) |
| Net cash generated by/(used for) held-to-maturity financial assets attributable to financial activities | (108) | 370 |
| (Increase)/decrease in cash and deposits attributable to BancoPosta | (702) | 667 |
| (Increase)/decrease in other assets attributable to financial activities | 315 | 773 |
| (Income)/Expenses and other non-cash components from financial activities | (1,405) | (1,044) |
| Cash generated by/(used for) assets and liabilities attributable to financial activities | (1,486) | 877 |
| Net cash generated by/(used for) financial assets at fair value through profit or loss attributable to insurance activities | (3,911) | (6,100) |
| Increase/(decrease) in net technical provisions for insurance business | 11,185 | 14,266 |
| Net cash generated by/(used for) available-for-sale financial assets attributable to insurance activities | (5,825) | (6,466) |
| (Increase)/decrease in other assets attributable to insurance activities | (204) | 12 |
| (Gains)/Losses on financial assets/liabilities measured at fair value | (349) | (624) |
| (Income)/Expenses and other non-cash components from insurance activities | (1,211) | (1,063) |
| Cash generated by/(used for) assets and liabilities attributable to insurance activities | (315) | 25 |
| Net cash flow from / (for) operating activities | (709) | 2,258 |
| - of which related party transactions | 241 | 3,648 |
| <i>Investing activities:</i> | | |
| Property, plant and equipment | (241) | (221) |
| Investment property | (1) | - |
| Intangible assets | (225) | (230) |
| Investments | (228) | (1) |
| Other financial assets | - | (100) |
| <i>Disposals:</i> | | |
| Property, plant and equipment, investment property, intangible assets and assets held for sale | 5 | 5 |
| Investments | - | - |
| Other financial assets | 296 | 103 |
| Disposal groups | 131 | - |
| Net cash flow from / (for) investing activities | (263) | (444) |
| - of which related party transactions | (65) | (22) |
| Proceeds from/(Repayments of) long-term borrowings | 4 | - |
| (Increase)/decrease in loans and receivables | 1 | 1 |
| Increase/(decrease) in short-term borrowings | 1 | (521) |
| Dividends paid | (509) | (444) |
| Net cash flow from/(for) financing activities and shareholder transactions | (503) | (964) |
| - of which related party transactions | (327) | (286) |
| Cash and cash equivalents reclassified from non-current assets and disposal groups held for sale | 1 | (90) |
| Net increase/(decrease) in cash | (1,474) | 760 |
| Cash and cash equivalents at end of year | 2,428 | 3,902 |
| Cash and cash equivalents at end of year | 2,428 | 3,902 |
| Cash subject to investment restrictions | - | (780) |
| Restricted deposits with the Italian Treasury | (55) | - |
| Cash attributable to technical provisions for insurance business | (358) | (799) |
| Amounts that cannot be drawn on due to court rulings | (15) | (12) |
| Current account overdrafts | (1) | (2) |
| Cash received on delivery (restricted) and other restrictions | (21) | (17) |
| Unrestricted net cash and cash equivalents at end of year | 1,978 | 2,292 |

POSTE ITALIANE SPA'S FINANCIAL STATEMENTS

POSTE ITALIANE SPA - BALANCE SHEET

(€m)

| ASSETS | at 31 December 2017 <i>of which, related party transactions</i> | | at 31 December 2016 <i>of which, related party transactions</i> | |
|--|--|----------|--|------------|
| Non-current assets | | | | |
| Property, plant and equipment | 1,912 | - | 1,999 | - |
| Investment property | 52 | - | 56 | - |
| Intangible assets | 385 | - | 366 | - |
| Investments | 2,081 | 2,081 | 1,815 | 1,815 |
| Financial assets attributable to BancoPosta | 49,388 | 2,484 | 47,299 | 1,509 |
| Financial assets | 834 | 279 | 1,101 | 450 |
| Trade receivables | 5 | - | 4 | - |
| Deferred tax assets | 762 | - | 672 | - |
| Other receivables and assets | 1,148 | 1 | 990 | 2 |
| Total | 56,567 | | 54,302 | |
| Current assets | | | | |
| Trade receivables | 2,014 | 970 | 2,095 | 1,071 |
| Current tax assets | 77 | - | 6 | - |
| Other receivables and assets | 894 | 8 | 937 | 69 |
| Financial assets attributable to BancoPosta | 10,659 | 6,012 | 10,753 | 6,189 |
| Financial assets | 363 | 316 | 243 | 181 |
| Cash and deposits attributable to BancoPosta | 3,196 | - | 2,494 | - |
| Cash and cash equivalents | 2,039 | 385 | 2,715 | 1,310 |
| Total | 19,242 | | 19,243 | |
| Non-current assets held for sale | - | - | 384 | 384 |
| TOTAL ASSETS | 75,809 | | 73,929 | |
| LIABILITIES AND EQUITY | | | | |
| Equity | | | | |
| Share capital | 1,306 | - | 1,306 | - |
| Reserves | 1,432 | - | 2,186 | - |
| Retained earnings | 2,774 | - | 2,668 | - |
| Total | 5,512 | | 6,160 | |
| Non-current liabilities | | | | |
| Provisions for risks and charges | 668 | 58 | 590 | 50 |
| Employee termination benefits | 1,244 | - | 1,315 | - |
| Financial liabilities attributable to BancoPosta | 4,010 | - | 6,410 | - |
| Financial liabilities | 286 | - | 1,246 | - |
| Deferred tax liabilities | 315 | - | 536 | - |
| Other liabilities | 1,183 | 7 | 1,002 | 6 |
| Total | 7,706 | | 11,099 | |
| Current liabilities | | | | |
| Provisions for risks and charges | 870 | 13 | 818 | 10 |
| Trade payables | 1,211 | 397 | 1,384 | 464 |
| Current tax liabilities | 5 | - | 73 | - |
| Other liabilities | 1,593 | 99 | 1,556 | 107 |
| Financial liabilities attributable to BancoPosta | 57,843 | 4,191 | 52,783 | 2,747 |
| Financial liabilities | 1,069 | 102 | 56 | 38 |
| Total | 62,591 | | 56,670 | |
| TOTAL LIABILITIES AND EQUITY | 75,809 | | 73,929 | |

**POSTE ITALIANE SPA – BALANCE SHEET – SUPPLEMENTARY STATEMENT
SHOWING BANCOPOSTA'S RING FENCED SHAREHOLDERS' EQUITY AT 31
DECEMBER 2017**

(€m)

| ASSETS | Capital outside the ring-fence | BancoPosta RFC | Adjustments | Total |
|--|---|-----------------------|--------------------|---------------|
| Non-current assets | | | | |
| Property, plant and equipment | 1,912 | - | - | 1,912 |
| Investment property | 52 | - | - | 52 |
| Intangible assets | 385 | - | - | 385 |
| Investments | 2,081 | - | - | 2,081 |
| Financial assets attributable to BancoPosta | - | 49,388 | - | 49,388 |
| Financial assets | 834 | - | - | 834 |
| Trade receivables | 5 | - | - | 5 |
| Deferred tax assets | 356 | 406 | - | 762 |
| Other receivables and assets | 108 | 1,040 | - | 1,148 |
| Total | 5,733 | 50,834 | - | 56,567 |
| Current assets | | | | |
| Trade receivables | 1,225 | 789 | - | 2,014 |
| Current tax assets | 77 | - | - | 77 |
| Other receivables and assets | 287 | 607 | - | 894 |
| Financial assets attributable to BancoPosta | - | 10,659 | - | 10,659 |
| Financial assets | 363 | - | - | 363 |
| Cash and deposits attributable to BancoPosta | - | 3,196 | - | 3,196 |
| Cash and cash equivalents | 1,648 | 391 | - | 2,039 |
| Total | 3,600 | 15,642 | - | 19,242 |
| Non-current assets held for sale | - | - | - | - |
| Intersegment relations net amount | (247) | - | 247 | - |
| TOTAL ASSETS | 9,086 | 66,476 | 247 | 75,809 |
| LIABILITIES AND EQUITY | | | | |
| | Capital outside the ring-fence | BancoPosta RFC | Adjustments | Total |
| Equity | | | | |
| Share capital | 1,306 | - | - | 1,306 |
| Reserves | 315 | 1,117 | - | 1,432 |
| Retained earnings | 1,132 | 1,642 | - | 2,774 |
| Total | 2,753 | 2,759 | - | 5,512 |
| Non-current liabilities | | | | |
| Provisions for risks and charges | 218 | 450 | - | 668 |
| Employee termination benefits | 1,227 | 17 | - | 1,244 |
| Financial liabilities attributable to BancoPosta | - | 4,010 | - | 4,010 |
| Financial liabilities | 286 | - | - | 286 |
| Deferred tax liabilities | 7 | 308 | - | 315 |
| Other liabilities | 68 | 1,115 | - | 1,183 |
| Total | 1,806 | 5,900 | - | 7,706 |
| Current liabilities | | | | |
| Provisions for risks and charges | 777 | 93 | - | 870 |
| Trade payables | 1,148 | 63 | - | 1,211 |
| Current tax liabilities | 5 | - | - | 5 |
| Other liabilities | 1,528 | 65 | - | 1,593 |
| Financial liabilities attributable to BancoPosta | - | 57,843 | - | 57,843 |
| Financial liabilities | 1,069 | - | - | 1,069 |
| Total | 4,527 | 58,064 | - | 62,591 |
| Intersegment relations net amount | - | (247) | 247 | - |
| TOTAL LIABILITIES AND EQUITY | 9,086 | 66,476 | 247 | 75,809 |

**POSTE ITALIANE SPA – BALANCE SHEET – SUPPLEMENTARY STATEMENT
SHOWING BANCOPOSTA'S RING FENCED SHAREHOLDERS' EQUITY AT 31
DECEMBER 2016**

(€m)

| ASSETS | Capital outside the ring-fence | BancoPosta RFC | Adjustments | Total |
|--|---------------------------------------|-----------------------|--------------------|---------------|
| Non-current assets | | | | |
| Property, plant and equipment | 1,999 | - | - | 1,999 |
| Investment property | 56 | - | - | 56 |
| Intangible assets | 366 | - | - | 366 |
| Investments | 1,815 | - | - | 1,815 |
| Financial assets attributable to BancoPosta | - | 47,299 | - | 47,299 |
| Financial assets | 1,101 | - | - | 1,101 |
| Trade receivables | 4 | - | - | 4 |
| Deferred tax assets | 351 | 321 | - | 672 |
| Other receivables and assets | 129 | 861 | - | 990 |
| Total | 5,821 | 48,481 | - | 54,302 |
| Current assets | | | | |
| Trade receivables | 1,352 | 743 | - | 2,095 |
| Current tax assets | 6 | - | - | 6 |
| Other receivables and assets | 336 | 601 | - | 937 |
| Financial assets attributable to BancoPosta | - | 10,753 | - | 10,753 |
| Financial assets | 243 | - | - | 243 |
| Cash and deposits attributable to BancoPosta | - | 2,494 | - | 2,494 |
| Cash and cash equivalents | 1,395 | 1,320 | - | 2,715 |
| Total | 3,332 | 15,911 | - | 19,243 |
| Non-current assets held for sale | 384 | - | - | 384 |
| Intersegment relations net amount | (282) | - | 282 | - |
| TOTAL ASSETS | 9,255 | 64,392 | 282 | 73,929 |
| LIABILITIES AND EQUITY | | | | |
| | Capital outside the ring-fence | BancoPosta RFC | Adjustments | Total |
| Equity | | | | |
| Share capital | 1,306 | - | - | 1,306 |
| Reserves | 314 | 1,872 | - | 2,186 |
| Retained earnings | 1,154 | 1,514 | - | 2,668 |
| Total | 2,774 | 3,386 | - | 6,160 |
| Non-current liabilities | | | | |
| Provisions for risks and charges | 197 | 393 | - | 590 |
| Employee termination benefits | 1,296 | 19 | - | 1,315 |
| Financial liabilities attributable to BancoPosta | - | 6,410 | - | 6,410 |
| Financial liabilities | 1,246 | - | - | 1,246 |
| Deferred tax liabilities | 6 | 530 | - | 536 |
| Other liabilities | 66 | 936 | - | 1,002 |
| Total | 2,811 | 8,288 | - | 11,099 |
| Current liabilities | | | | |
| Provisions for risks and charges | 749 | 69 | - | 818 |
| Trade payables | 1,297 | 87 | - | 1,384 |
| Current tax liabilities | 73 | - | - | 73 |
| Other liabilities | 1,495 | 61 | - | 1,556 |
| Financial liabilities attributable to BancoPosta | - | 52,783 | - | 52,783 |
| Financial liabilities | 56 | - | - | 56 |
| Total | 3,670 | 53,000 | - | 56,670 |
| Intersegment relations net amount | - | (282) | 282 | - |
| TOTAL LIABILITIES AND EQUITY | 9,255 | 64,392 | 282 | 73,929 |

POSTE ITALIANE SPA - STATEMENT OF NET PROFIT (LOSS) AS OF 2017

| | (€m) | | | |
|---|--|---|--|---|
| | For the year ended 31 December 2017 | <i>of which, related party transactions</i> | For the year ended 31 December 2016 | <i>of which, related party transactions</i> |
| Revenue from sales and services | 8,060 | 2,844 | 8,218 | 2,910 |
| Other income from financial activities | 646 | - | 599 | - |
| <i>of which non-recurring income</i> | 91 | - | 121 | - |
| Other operating income | 584 | 536 | 478 | 440 |
| <i>of which non-recurring income</i> | 14 | | | |
| Total revenue | 9,290 | | 9,295 | |
| Cost of goods and services | 1,666 | 614 | 1,703 | 655 |
| Expenses from financial activities | 40 | - | 45 | 1 |
| Personnel expenses | 5,877 | 40 | 5,992 | 44 |
| Depreciation, amortisation and impairments | 480 | - | 504 | - |
| Capitalised costs and expenses | (12) | - | (4) | - |
| Other operating costs | 459 | 15 | 255 | 7 |
| Operating profit/(loss) | 780 | | 800 | |
| Finance costs | 150 | 1 | 65 | 1 |
| <i>of which non-recurring costs</i> | 82 | - | - | - |
| Finance income | 43 | 14 | 44 | 24 |
| <i>of which non-recurring income</i> | 3 | - | - | - |
| Profit/(Loss) before tax | 673 | | 779 | |
| Income tax for the year | 56 | - | 154 | - |
| <i>of which, non-recurring expense/(income)</i> | (9) | - | 14 | - |
| PROFIT FOR THE YEAR | 617 | | 625 | |

POSTE ITALIANE SPA – STATEMENT OF CASH FLOWS

(€m)

| | For the year ended 31 December 2017 | For the year ended 31 December 2016 |
|---|---|---|
| Cash and cash equivalents at beginning of year | 2,715 | 1,520 |
| Profit/(Loss) before tax | 673 | 779 |
| Depreciation, amortisation and impairments | 480 | 504 |
| Impairments/(Reversals of impairments) of investments | 22 | 33 |
| Net provisions for risks and charges | 737 | 541 |
| Use of provisions for risks and charges | (607) | (436) |
| Employee termination benefits paid | (94) | (78) |
| (Gains)/losses on disposals | (15) | 1 |
| (Dividends) | (8) | (8) |
| Dividends received | 8 | 8 |
| (Finance income on disposals) | (4) | - |
| (Finance income in form of interest) | (20) | (35) |
| Interest received | 26 | 32 |
| Interest expense and other finance costs | 55 | 63 |
| Impairment loss on Contingent Convertible Notes | 82 | - |
| Interest paid | (33) | (36) |
| Losses and impairments/(Recoveries) on receivables | 29 | 10 |
| Income tax paid | (401) | (190) |
| Cash generated by operating activities before movements in working capital | [a] 930 | 1,188 |
| <i>Movements in working capital:</i> | | |
| (Increase)/decrease in Trade receivables | 69 | 52 |
| (Increase)/decrease in Other receivables and assets | 253 | 54 |
| Increase/(decrease) in Trade payables | (208) | 111 |
| Increase/(decrease) in Other liabilities | 34 | 69 |
| Cash generated by/(used in) movements in working capital | [b] 148 | 286 |
| Increase/(decrease) in financial liabilities attributable to BancoPosta | 3,324 | 5,196 |
| Net cash generated by/(used for) available-for-sale financial assets | (2,497) | (5,140) |
| Net cash generated by/(used for) held-to-maturity financial assets | (108) | 370 |
| (Increase)/decrease in other financial assets attributable to BancoPosta | 315 | 897 |
| (Increase)/decrease in cash and deposits attributable to BancoPosta | (702) | 666 |
| (Income)/Expenses and other non-cash components attributable to financial activities | (1,404) | (1,041) |
| Cash generated by/(used for) financial assets and liabilities attributable to BancoPosta | [c] (1,072) | 948 |
| Net cash flow from/(for) operating activities | [d]=[a+b+c] 6 | 2,422 |
| - of which related party transactions | 723 | 3,599 |
| <i>Investing activities:</i> | | |
| Property, plant and equipment | (208) | (200) |
| Investment property | (1) | - |
| Intangible assets | (193) | (181) |
| Investments | (228) | (39) |
| Other financial assets | (2) | (357) |
| Postecom merger | 6 | - |
| <i>Disposals:</i> | | |
| Property, plant and equipment, investment property and assets held for sale | 135 | 2 |
| Other financial assets | 310 | 535 |
| Net cash flow from/(for) investing activities | [e] (181) | (240) |
| - of which related party transactions | 183 | 112 |
| (Increase)/decrease in loans and receivables | 1 | 2 |
| Increase/(decrease) in short-term borrowings | 7 | (545) |
| Dividends paid | (509) | (444) |
| Net cash flow from/(for) financing activities and shareholder transactions | [f] (501) | (987) |
| - of which related party transactions | (328) | (477) |
| Net increase/(decrease) in cash | [g]=[d+e+f] (676) | 1,195 |
| Cash and cash equivalents at end of year | 2,039 | 2,715 |
| Cash and cash equivalents at end of year | 2,039 | 2,715 |
| Cash subject to investment restrictions | - | (1,071) |
| Restricted deposits with the Italian Treasury | (56) | - |
| Amounts that cannot be drawn on due to court rulings | (15) | (12) |
| Unrestricted net cash and cash equivalents at end of year | 1,968 | 1,632 |