

## Poste Italiane's fourth quarter results show strong revenue and margin growth

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Mr. Francesco Caio, Chief Executive Officer and General Manager, commented on the results as follows:

“Poste Italiane closed 2016 with strong revenue and margin growth to consolidate the direction of change and development begun in 2014. At Group level revenues exceeded €33bn with growth of 7.7% compared to 2015; operating profit exceeded €1bn (1,041 mln) with growth of 18.3%. Net profits grew by 12.7% to €622m. As announced when the company was listed, we will pay again for 2016 a dividend equivalent to 80% of net profits, or €0.39 per share, representing growth of 15%.

The Group's results saw contributions from all business areas which have effectively pursued the priorities of investment and development laid out in the Business Plan: postal services launched a new delivery model, while Poste gained market share in the parcels segment with volume growth of over 12%. BancoPosta achieved an ROE (Return On Equity) of 29%. Meanwhile in insurance Poste Vita grew by 9% in terms of premiums collected.

Total client assets under management/administration reached €493bn, up 3.7%.

Since the Five-Year Business Plan was presented in 2014, the company has grown its revenues by nearly 50%, operating profit by 50% and net profit has almost tripled.

These results demonstrate the validity of the company's strategic decisions and its capacity, through the actions of the management team and the efforts of all its people, to turn them into business and financial results; as well as continual dialogue and relations with the institutions, the regulators and the local territories in which it is deeply rooted.

As announced with the presentation of the 2020 Poste Business Plan, Poste Italiane has in recent years embarked on a development path that combines two directions of travel: on the one hand growth, innovation and customer focus - subscribed by Italian and foreign investors at the stock exchange listing; on the other, confirmation of the social mission which has always marked the company's character, preserving and strengthening Poste's widespread local presence guaranteeing proximity and inclusion to communities and citizens across the whole country.

These latest results represent a very robust basis on which to proceed with implementation of the 2020 Plan”.

In financial year 2016, the Group's total revenue, inclusive of insurance premiums, registered a 7.7% growth compared with the

previous year, rising to €33.1bn. The positive performance of the Insurance Services and Asset Management business, with revenues up 10.8% to € 23.8bn compared with the previous year, and the steady performance of Financial Services generating revenues for €5.3bn, more than offset the anticipated decline in revenues from Postal and Business Services (-1.5% to €3.8bn), mainly driven by a reduction in mail volumes (-10.9%) and in any case slower than the previous year. Revenues for the parcel service grew by 6.4% compared with the previous financial year to €649m.

The operating profit recorded a sharp rise of 18.3% from the previous year (€ 880m) to stand at €1,041m. This increase is due to the aforementioned positive performance of revenues together with a containment of operating costs.

The net profit is €622m , an increase on the

€552m of the previous year.

The Board of Directors proposed a **dividend** of € 0.39 per share, for submission to the approval of the shareholders' meeting, in line with the Company's dividend pay-out policy of least 80% of Poste Italiane's 2016 consolidated net profit.

The group net financial position presents a surplus of €6.2bn. The variation, compared with a surplus of €8.7bn at 31 December 2015, while benefiting from a positive cash flow of non-financial operations for more than € 1.4 billion, suffered from the generalised contraction in the fair value of the financial instruments (of € -2.3bn) and from the reclassification (for € -0.6bn) of the financial assets and liabilities of BdM-MCC SpA and BancoPosta Fondi SpA SGR in the items specified in IFRS 5.

Source: [Poste Italiane](#)