

The cover features a large, stylized graphic composed of overlapping teal and blue geometric shapes, primarily triangles and polygons, arranged in a way that suggests a large letter 'A'. On the left side of this graphic, there is a photograph of a modern, multi-story building with a glass facade, illuminated at night. The building's lights are visible through the glass panels. The overall design is clean and professional, with a focus on geometric forms and a color palette of various shades of blue and teal.

Half-year
financial report
2015



LE GROUPE LA POSTE

The English language version of this report is a free translation from the original which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

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RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT

I certify, to my knowledge, the condensed financial statements for the half year are prepared in accordance with applicable accounting standards and give a true and fair view of assets and liabilities, financial position and profit or loss of the issuer and the subsidiaries included in the scope of consolidation, and the half-year activity report enclosed presents a true picture of the significant events that occurred during the first six months of the year, their impact on the accounts, main related-party transactions and a description of principal risks and uncertainties for the remaining six months of the year.

Executed in Paris, 30 July 2015

Chairman and Chief Executive Officer

Philippe Wahl

MANAGEMENT REPORT HALF-YEAR 2015

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1. Highlights

1.1 Changes within the Executive Committee

1.1.1 Appointment to the Digital Services business unit

In early February 2015, Nathalie Collin, Executive Vice President in charge of Communications since April 2014, was appointed Executive Vice President of Le Groupe La Poste in charge of Digital Services and Communications.

1.1.2 Appointment of an Executive Vice President in charge of Group transformation

Philippe Bajou, formerly Executive Vice President in charge of La Poste Network, was appointed Executive Vice President in charge of Group transformation on 24 February 2015. In this respect, starting from 1 June 2015 and over the coming months, he will head up the project to bring together the Group's headquarters, and more generally, manage the transformation of the headquarters, supports and structures.

Philippe Bajou will also head up the Group's Information Systems Department and will act as Chairman of Poste Immo, the Group's real estate subsidiary.

1.1.3 Appointment to La Poste Network

On 24 February 2015, Anne-Laure Bourn was appointed Executive Vice President of Le Groupe La Poste in charge of La Poste Network. Formerly Head of Operations of La Banque Postale, Anne-Laure Bourn took over these duties on 1 June 2015 and as such, became a member of the Group Executive Committee. She is replacing Philippe Bajou, who had been in charge of the Network since 2012.

1.1.4 Broadened responsibilities for the Executive Vice President in charge of finance

Starting from 1 September, Yves Brassart, Group Executive Vice President in charge of finance, will be appointed Executive Vice President in charge of finance and development.

1.1.5 Appointment of an Executive Vice President in charge of Institutional strategy and Regulatory affairs

Nicolas Routier, Group Executive Vice President in charge of the Services-Mail-Parcels business unit since April 2009, will be appointed Executive Vice President in charge of Institutional strategy and Regulatory affairs starting from 1 September.

1.1.6 Appointment of an Executive Vice President in charge of the Services-Mail-Parcels business unit

Philippe Dorge, Director of Human Resources and member of PSA Peugeot Citroën Group's Executive Committee, will be appointed Group Executive Vice President in charge of the Services-Mail-Parcels business unit, succeeding Nicolas Routier, starting from 1 September.

1.2 Economic and financial environment

Considering its positioning in the services business, the Group is influenced in its different businesses by the economic situation and by the change in labour cost, particularly in France. Oil prices and the US dollar and pound exchange rates in particular are also important for the Group's logistics and international activities (given GeoPost's strong presence in the United Kingdom). Lastly, through its banking activities, the Group is sensitive to changes in interest rates and, to a lesser extent, to changes in the financial markets.

1.2.1 Growth worldwide has remained moderate

Growth worldwide remained moderate in the first half of the year, despite support from cheaper oil. Before gaining strength in the spring, it even shrank during the first quarter, for several reasons: a slight decline in business in the United States, primarily related to a drop in investments in the oil sector and to the negative impact from the appreciation of the dollar on foreign trade, recessions in Brazil and Russia and a new slowdown in growth in China, whose economy is dealing with several difficulties (collapse of a real estate bubble, excessive debt, industrial overcapacity). By contrast, the Japanese economy rebounded and the euro zone confirmed its gradual recovery.

1.2.2 Confirmed gradual recovery in the euro zone

Economic recovery in the euro zone, which was still very weak in 2014, strengthened during the first half of the year, at a pace of nearly 1.5% per year in terms of GDP growth. It was helped by a combination of several factors: substantially cheaper oil prices, a weaker euro and very low interest rates, as a result of the ECB's very active monetary policy; lastly, less restrictive budgetary policies after several years of austerity.

This gradual recovery also resulted from the adjustments made in several countries to restore their competitiveness and improve their economic efficiency. Consequently, activity picked up for several Member-States that had been plunged into major difficulties from the sovereign debt crisis of 2012: economic growth returned in Ireland, then in Spain and in Portugal; Italy came out of the recession during the first half of the year.

1.2.3 Gradual recovery in France as well

The first quarter was characterised by fairly sustained growth (at an annualised rate of 2.5%), thanks to a strong rebound in household spending. In fact, people fairly quickly consumed the gains in purchasing power that they pulled from the decline in oil prices. On the other hand, household spending had less momentum during the second quarter, which limited GDP growth.

Additionally, thanks to the decrease in the euro and to various economic policy measures (CICE - *Crédit Impôt Compétitivité Emploi* - tax credit in particular), French exports held up well during the first half of the year. This should stimulate corporate investment: industrial businesses have announced that they have significantly raised their plans for 2015. However, real estate has continued to weigh on activity, but the implementation of the "Pinel" tax incentives are a preliminary sign of improvement.

In the labour market, the pace of the French economy's growth was sufficient enough to stabilise employment without stopping the increase in unemployment.

1.2.4 Limited surge in oil prices, decline in fears of deflation in the euro zone

After having fallen to \$45 in mid-January 2015 versus \$115 in June 2014, the price of a barrel of Brent from the North Sea rose to \$65 at the end of April, particularly due to warning signs of a

decline in American oil shale production (drop in drilling activity in the United States following a drop in the price of a barrel). Nevertheless, this surge in black gold prices did not persist, since the global supply of oil remained abundant. OPEC, in particular, maintained its production quotas to defend its market share.

Within this context, after having tipped into negative territory at the beginning of the year, the change in consumer prices year over year became positive again in the spring (France and the euro zone: +0.3 % year-over-year in May). In addition, core inflation (excluding energy and food) stopped falling (France: 0.6% year-over-year in May). Besides the surge in the price of a barrel, the weakening of the euro contributed to the slight increase in prices by raising the cost of imported products. Lastly, the improved economic climate in Europe helped diminish fears of seeing the euro zone enter a deflation process (a very real fear in 2014).

1.2.5 Drop then rebound in interest rates, mostly in the euro zone, and rise in stock markets

At the beginning of the year, medium-term interest rates in the euro zone continued to fall as they did at the end of 2014; a decline triggered by fears of deflation and by the prospect of expanded monetary support from the ECB in the form of a securities purchase programme, which was effectively implemented in March. Yields from the most secure government bonds thus fell to a very low level compared to economic forecasts in mid-April: below 0.1% for the German Bund, and around 0.35% for the 10-year OAT. This drop in interest rates was followed by a bullish correction. The interest rate for the 10-year OAT rose to 1.2% in June (monthly average), and the Bund rose to 0.8%, versus 0.92% and 0.64%, respectively, in December 2014.

For their part, short-term interest rates remained extremely low under the effects of the ECB's very active monetary policy. This was the case for interbank rates, in particular. The EONIA fell into the red in late 2014 due to abundant banking liquidity, and negative interest rates on bank deposits with the central bank, and came to -0.12% in June. The 3-month Euribor slipped below 0% (-0.01% in June).

European stock exchanges soared during the first quarter, due to the positive effect of a weaker euro on the results of listed companies and to adjustments in the economic outlook for the euro zone. The second quarter was very bumpy, however, particularly due to a new Greek debt crisis and considerable tension between Athens and its international creditors. Nonetheless, European stock exchanges increased overall for the half-year (+12% for the CAC 40 over the entire first half of the year).

1.2.6 New decrease in the euro during the first quarter

After its stall during the second half of 2014, the euro was still a little weakened compared to the dollar during the first quarter of 2015. It fell to \$1.12 in June (monthly average) compared to \$1.23 in December 2014. In fact, until the beginning of April, the European currency was once again pulled down by diverging monetary policies between the ECB and the Federal Reserve. Indeed, in order to protect itself from the risk of inflation, the ECB injected massive amounts of liquidity (securities purchases, long-term loans to banks), which increased the supply of euros. Furthermore, it made it clear that its policy of very low key interest rates was sustainable. Conversely, the Fed stopped purchasing securities in October 2014 and it declared that it was ready to raise its key interest rates, without actually doing it, as of the first half of 2015.

The euro also depreciated against the pound during the first quarter, from £0.79 in December 2014 to £0.72 in June 2015, despite the United Kingdom's external deficit. As with the Fed, the Bank of England put an end to its policy of purchasing securities (since summer of 2012).

1.3 Regulatory environment

1.3.1 La Poste publishes universal service performance indicators for 2014

On 15 April 2015, La Poste published its universal service performance indicators for 2014. The publication, which was also sent to ARCEP (*Autorité de régulation des communications électroniques et des postes*, the French regulator of the electronic communications and postal segments), to the DGE (*Direction générale des entreprises*, the French Directorate General for Enterprises) and to the CSSPPCE (*Commission Supérieure du Service Public des Postes et des Communications Electroniques*, the French Higher Commission for the Postal, Communications and Electronics Public Service), details the shipping time frames for the main universal service products (Priority Mail, Green Mail, Registered Mail, Industrial Mail, EU cross-border mail, Colissimo counter, press), the accessibility of the La Poste network through its public outlets and its street letterboxes, as well as claims processing. The performance indicators are available on Le Groupe La Poste's website¹.

1.3.2 Green Paper Roadmap on parcel delivery

On 16 December 2013, the European Commission (EC) published its roadmap on the completion of the single market concerning parcel delivery, to be implemented in 18 months.

The roadmap is part of the Commission's work relating to e-commerce development and is a continuation of the 2012 Green Paper on an integrated parcel delivery market. It proposes new actions to solve the issues related to parcel delivery and the difficulties that consumers and online retailers face in the European Union.

The European postal industry has since regularly met with the Commission to share progress on this implementation (improving interoperability among operators, developing the delivery market, etc.)

On 16 April 2015, the Chairmen of the 21 European postal operators met the Vice Chairman of the EC, Andrus Ansip, and the European Commissioner, Elzbieta Bienkowska, in order to address the implementation of the Industry Initiative² and the issue of pricing for cross-border parcel delivery.

The meeting was followed by the EC's adoption of the overall strategy for the Digital Single Market in Europe on 6 May 2015. The EC also published a public consultation in the form of a questionnaire on cross-border parcel delivery. Operators have until 29 July 2015 to respond to it.

1.3.3 La Poste: innovating by simplifying its mail-parcels range

Starting from 1 January 2015, a new Mail-Parcels range is being offered to retail customers, aiming to simplify the product range by discontinuing 60 items. It is based on three innovations:

- The product range is now structured around a 3-cm thickness threshold, enabling flat objects to be shipped (CD, DVDs, small books, etc.). Postage for small items of less than 3cm can now be applied at either the correspondence rate (Priority Mail, Green Mail/Ecopli)

¹ <http://legroupe.laposte.fr/>

² Following the publication of the roadmap for completing the single market for parcel delivery, all of the European postal services are committed to working together to improve the interoperability of their networks. These commitments, brought together under the term "Industry Initiative", involved developing an entry-level cross-border parcel service with tracking, making at least two delivery solutions available for the destination country on foreign e-commerce sites, implementing parcel return solutions, harmonising labels and improving customer service for cross-border parcels

or at the Colissimo rate, depending on the customers' desired delivery options. Beyond 3cm, the Colissimo offering applies.

- The launch of this new range comes with renewed prepaid packaging or a large choice of packaging formats without postage. Packaging without postage is sold in addition to postage fees at a flat-rate of €1.50.
- La Poste also offers an enhanced Universal Service with the creation of Tracked letters (with a bar code attached to a regular envelope) delivered in 48 hours, for shipping documents or merchandise, also not thicker than 3cm. It costs €3.20 including VAT (packaging included), corresponding to a decrease of 28 cents compared with the 2014 pre-paid Lettre Max envelope, which it replaces.

1.3.4 La Poste increases mail and parcel prices

1.3.4.1 Increase in mail prices

As at 1 January 2015, Green Mail increased from €0.61 to €0.68, and Priority Mail from €0.66 to €0.76. The rate savings offered by Green Mail, currently used by the majority of customers, is now even greater and rose 8 cents compared with Priority Mail, versus 5 cents previously.

Although France is one of the largest countries in Europe and La Poste delivers mail six days a week to all points of the territory, its prices remain comparable to those in other European countries. Furthermore, these changes have only had a small impact on household budgets: the increase accounts for less than €4 per household per year.

To ensure the competitiveness of companies in a still sluggish economy, particularly for SMEs and VSEs, La Poste limited the rise in industrial management mail to 3% and that of advertising mail (direct marketing) to 1.4%.

1.3.4.2 Increase in parcel prices

As at 1 January 2015, mainland and overseas territories parcel prices rose by 2% and 3% respectively for retail customers and 0.8% for companies, while international parcels prices were down on average (-6.6%).

1.3.5 Banking environment trends

In 2015, the cornerstones of the Banking Union are continuing to be rolled out. The Single Supervisory Mechanism has been operational since November 2014, with the European Central Bank assuming responsibility for monitoring all of the banks in the euro zone. The Single Resolution Mechanism was also instituted in 2014, which established, in particular, a Single Resolution Fund as at 1 January 2016. This fund will gradually replace national funds. It will be backed by the banking sector starting in early 2015 and should reach approximately €55 billion in 8 years. Minimum capital and liability requirements, which will bear losses before having to use these funds (bail-in eligible funds) are still in the process of being defined by the EBA (European Banking Authority).

With regards to Basel III, it is important to note that banking institutions have been required to publish their leverage ratio since 1 January 2015 before it is enacted in 2018.

1.4 External growth, partnerships and innovations

1.4.1 Services-Mail-Parcels

1.4.1.1 *Partnership agreement with MSA*

Le Groupe La Poste and Caisse Centrale de la MSA (Mutualité sociale agricole - Agricultural Social Fund) signed a partnership agreement on 26 February 2015. The agreement aims to combine their two local networks in order to offer services to populations in rural areas, and by targeting more specifically isolated elderly people.

The goal is to prevent geographic and social isolation and improve quality of life. Tests have been conducted on delivering medications, collecting files at home, and maintaining and developing social interaction.

La Poste's more than 75,000 postmen and 17,100 retail outlets are going to partner up with the 35 funds and 25,000 MSA representatives to offer additional services to the regions, thus expanding their public service missions.

1.4.1.2 *Testing a new system to monitor elderly people*

Over the second half of 2015, La Poste will test a new system to look after and support isolated elderly people following an agreement undertaken with Caisse nationale d'assurance vieillesse (National Elderly Pension Fund).

This new mission to monitor and detect risks of fragility in isolated elderly people, entrusted to postmen, will be tested with 60,000 retirees in Côte d'Or, Indre, Haute-Marne and Savoie.

The idea is that postmen ensure monitoring during their rounds. A chat with the postman will be offered each quarter to retirees targeted by the CNAV. With their consent, the postmen can monitor them and detect serious risks as soon as possible: economic or social fragility, deterioration of autonomy, etc. This alert will be established based on criteria such as regularly using a cane, difficulty carrying out daily activities or receiving less than one visit per week from family. Following an alert, a pre-assessment is created based on a few questions that the postman asks.

1.4.1.3 **Acquisition of Hit Mail Romania**

In March 2009, the Group (Services-Mail-Parcels business unit) acquired 60% of the Hit Mail Romania sub-group, a player in the local advertising market (direct marketing). The remaining 40% was acquired in May 2015. Hit Mail Romania's revenue was €4.1 million as at 30 June 2015.

1.4.1.4 **Delivery preference**

Mail is continuing to develop services to increase customer satisfaction. Delivery preference is a new service, accessible via the Internet, currently being tested, which offers customers the option of choosing the day on which the postman will deliver his or her registered mail, from Monday to Saturday, or to choose the post office in which to pick them up.

Once signed up for this service, the customer is notified via email of his or her next registered mail delivery. Should he or she not be home, or for any other reason, he or she can freely change the delivery method or potentially unsubscribe from the service by changing his or her preferences online in his or her "La Poste account".

1.4.1.5 **Expanding the Recy'go range**

The Recy'go offering is expanding over the course of 2015 to become a more comprehensive range of services. As a result, SMEs, VSEs and local authorities under a Recy'go contract can now benefit from a simple and responsible cardboard collection solution in addition to paper collection. The cardboard is then sent to French cardboard recyclers.

Companies can also access two additional services upon request: de-archiving and collecting confidential documents:

- Recy'go Désarchivage offers a one-time collection of documents from customers who are moving or who wish to clear out their archives. Collected by the postman, the paper is then sorted and recycled or shredded, according to the customer's preference;
- The Kadna'box option offers special handling of sensitive documents. Once it is closed, the box cannot be opened, guaranteeing the utmost confidentiality of its contents. Collected by the postman, it is then destroyed with the paper contained within. The customer can then print his or her destruction certificate online.

At the end of March, a service to collect used mobile phones was also put in place in the post offices, in partnership with La Poste Mobile. By the end of the year, two new services involving the collection of batteries and light bulbs will also be offered.

1.4.2 **GeoPost**

1.4.2.1 **Acquisition of DPD Systemlogistik**

On 6 March, GeoPost acquired DPD Systemlogistik, a German DPD network franchise operating primarily in Bavaria and formerly owned by Royal Mail. At the same time as this transaction, GeoPost acquired the 10% share that DPD Systemlogistik held in the franchiser DPD GmbH, increasing its equity investment to 93%. This acquisition will enable GeoPost to increase its synergies in Germany.

1.4.2.2 **Acquisition of Worldlink (Australia)**

On 6 February, GeoPost purchased Worldlink, a freight forwarding company located at the Perth international airport that offers a comprehensive range of air and ocean freight management services.

With approximately €26 million in annual revenue in 2014, Worldlink operates in a niche market: perishable products transportation (storage and inspection, customs management and security). The acquisition of WorldLink will enable Tigers (a group subsidiary specialised in freight forwarding) to immediately enter this market and grow its access to large clients in the sector.

It will also ensure better logistics coverage of Australian export flows, synergies with the Tigers business in China and more generally in the Asia-Pacific region, a key region in the overall momentum of international trade and freight forwarding.

1.4.2.3 **Partnership with PostNord**

On 1 July 2015, DPD Group and PostNord, the leader in parcel delivery in the Scandinavian market, expanded their strategic partnership to the parcel segment. This expanded cooperation relies on a strong BtoC strategy that will connect the two partners' parcels networks, creating a harmonised network of 26,000 pick-up and drop-off points in Europe.

PostNord's international parcels shipped from Denmark, Sweden, Norway and Finland to the rest of Europe will be entrusted to DPD Group. Accordingly, PostNord's customers will be able to access the DPD Group's network of more than 20,000 pick-up and drop-off points in 10 European countries, as well as the most innovative delivery solutions (including Predict).

The breadth of this partnership, which has constantly increased in importance since its inception in 2002, will also have a visible impact in Scandinavia. From now through the end of the year, 200 delivery vehicles in PostNord's fleet will display the DPD brand in Denmark, in Sweden, in Norway and in Finland, thus reflecting the new scope of delivery service at the European level.

1.4.2.4 **Disposal of IBC**

GeoPost disposed of the stake that it held in the IBC Group (a US express operator) as well as in its subsidiary in Trinidad whose development potential became uncertain considering its size in the US domestic market dominated by two major operators - Fedex and UPS. IBC's revenue at end-December 2014 was €43 million.

1.4.3 **La Banque Postale**

1.4.3.1 **Partnership in the area of company health insurance with Malakoff Médéric and Mutuelle Générale**

Given that company health insurance will be available to all employees starting from 1 January 2016, on 1 April 2015, La Banque Postale, Malakoff Médéric and Mutuelle Générale signed a group health insurance partnership. The product, offered by La Banque Postale Assurance Santé, has been distributed by La Banque Postale's local network since 2 April 2015. Malakoff Médéric and Mutuelle Générale will have a 14% and 35% equity investment in La Banque Postale Assurance Santé, respectively, with La Banque Postale holding the remaining 51%. This new offer is built on Malakoff Médéric and La Mutuelle Générale's expertise on group insurance products and services, and fits into La Banque Postale's development in the corporate and professional customer market.

1.4.3.2 **Partnerships in the area of Asset Management with Aegon Asset Management and Malakoff Médéric**

On 18 February, La Banque Postale, La Banque Postale Asset Management and Aegon Asset Management signed an equity and industrial partnership agreement in the area of asset management. It was finalised on 4 June 2015 after being approved by the relevant authorities. LBPAM and Aegon AM, which manage €150 and €300 billion in assets respectively, are going to work together to step up the development of a comprehensive service offering including international and multi-asset funds. This agreement will develop and expand La Banque Postale Asset Management's (LBPAM) expertise, develop and strengthen its expertise in the French market and give it access to an international distribution network. The transaction involves Aegon Asset Management holding a 25% equity investment in LBPAM's share capital.

At the same time, in February 2015, La Banque Postale and Malakoff Médéric announced the project to merge their LBPAM and Fédéris Gestion d'actifs subsidiaries to develop a major asset management centre to better serve their customers through a wider range of products. The transaction will result in Fédéris's transfer to LBPAM and in a 5% equity investment by Malakoff Médéric in the capital of LBPAM. With Fédéris Gestion d'Actifs (13th largest French player with €27 billion in assets under management), which possesses a high level of expertise in SRI funds, La Banque Postale Asset Management will reinforce its spot as 5th largest French player, with close to €180 billion in assets under management. This group will become the 4th largest player in the institutional market.

1.4.3.3 **La Banque Postale becomes a majority shareholder of Ciloger**

On 8 April 2015, La Banque Postale's Supervisory Board authorised exclusive negotiations with Nexity to acquire Nexity's stake in Ciloger's capital (a real-estate investment partnership (SPCI) and open-ended property fund (OPCI), real estate investment products portfolio management company). The transaction was finalised on 2 July after approval from the relevant authorities. La Banque Postale now holds a 90% share in Ciloger, versus 45% previously. This transaction is in line with La Banque Postale's goal of growing its asset management business to better serve its customers.

1.4.3.4 **Adaptation of Le Groupe La Poste's equity investment in the share capital of XAnge Private Equity**

On 11 May 2015, La Banque Postale and Siparex announced the signing of a merger agreement between XAnge Private Equity (a venture capital company that invests in innovative start-ups and SMEs with high growth potential) and Siparex. This transaction would enable Siparex to hold a majority interest in XAnge Private Equity's capital. For its part, La Banque Postale, which currently holds 90% of XAnge Private Equity, would sell all of its share capital, while Le Groupe La Poste would make a direct equity investment of 20%. The transaction could be completed during the third quarter of 2015 and is still subject to the usual regulatory authorisations. Le Groupe La Poste will continue its involvement in private equity, a strategy they began in the early 2000s.

1.4.3.5 **New service: Perspective Transmission**

In April 2015, La Banque Postale launched the "Perspective Transmission" service to support elderly customers in preparing for their inheritance. La Banque Postale thus offers advice and personalised support to respond to both the customer and his/her beneficiaries' needs, enabling them to prepare for inheritance under optimal tax and inheritance conditions.

1.4.4 La Poste Network

1.4.4.1 *Post offices are ready to welcome public service areas*

In response to the proposal made in late January by National Assembly member Jean Launay in his report on conditions for maintaining public services in the regions, at the end of February, La Poste announced that it was ready to welcome public service areas in its post offices. Public service areas are reception, information and orientation facilities for public service users within a local approach.

La Poste, whose post offices are located throughout the country, has all of the necessary infrastructure, both in terms of people and logistics, with the growing development of its digital service offerings. La Poste contributes to reduce the digital divide by making connected equipment available, guaranteeing proper reception and local human support and helping to maintain services in the most vulnerable areas.

1.4.4.2 *New partnerships in urban areas*

La Poste Network is rethinking its role and presence in the heart of regions and is offering new layouts for public outlets (known as "La Poste relais") that are more flexible and better adapted to its customers' fast-paced lifestyles. These public outlets will be deployed starting in 2016 depending on opportunities identified, on advancement of city projects and on discussions held with partners in 2015. These new public outlets are currently being tested in a Franprix store located in the 16th Arrondissement of Paris, in a Pick-up store at the Ermont-Eaubonne train station, in two concierge services and in a business incubator in Bordeaux.

1.4.4.3 *Ardoiz: helping seniors access the digital world*

Since 8 June, La Poste Network has been testing out the marketing of Ardoiz, a tablet specially designed and developed to facilitate seniors' access to the Internet. Thirty-two pilot post offices will market this new tablet for six months, in Loire-Atlantique and in Vendée. Seniors will be able to keep in contact with their friends and family more easily from that point on (send and receive email, share pictures, communicate in real time, etc.), have access to content updated daily by the Bayard Group (Notre temps), take advantage of internet and game-playing applications, etc. Customers will receive support at home with La Poste helping users familiarise themselves with the device (initial start-up of the tablet, connection to the internet, first steps), and advisors will also respond to any questions through a dedicated telephone number.

With Ardoiz, La Poste is continuing its goal to test out new growth levers based on service innovations and offers that respond to French people's needs.

1.4.5 Digital Services

1.4.5.1 *Digiposte Pass, the mobile application that simplifies processes*

Backed by its high level of confidence and its expertise in protecting personal data, in May, La Poste launched Digiposte Pass, a free mobile app that is an authentic smart digital briefcase which enables users to carry out administrative and personal processes anywhere with ease.

It is offered under a larger set of digital services that enable users to carry out simple administrative processes online based on a previously verified digital identity (IDN), an email messaging service (laposte.net) and a secure storage space.

As an essential facilitator for finalising a file (registration, subscription, membership, purchase, etc.), Digiposte Pass indicates the list of vital documents for building these files, regroups them, sorts them by category and retrieves them directly from a long-term secure space. It is also possible to share them with third parties in a secure environment while keeping control of access to the documents.

Although the application is exclusively mobile, the data is not kept on the phone, but in Digiposte pass. The protection and accessibility of personal information are thus guaranteed and document transfers are systematically secured, whether it be while sharing or while retrieving documents.

1.4.5.2 *Digital Hub*

With the digital hub, La Poste has developed the first open, supreme, long-term and universal platform for managing connected services and objects. This platform has five features to enable it becoming a national leader in IOT (The Internet of Things):

- Its open positioning enables it to be open to all players in the IOT ecosystem: service providers, manufacturers, telecom network operators, etc.;
- Its ability to combine digital and human services to provide everyone access to everyday functions thanks to new postmen services available throughout the territory (for example, postman home visits to elderly people during rounds following a request);
- Its proven expertise in operating shared digital infrastructures securely and sustainably. La Poste's expertise is already extensive: smart mail sorting system, health care data hosting, etc.
- Its universal mobile application, a simple, intuitive and secure control steering station for all services and connected objects relating to the home and to health care;
- Its sense of trust provided through its data security management system and the ability private individuals have to control their data.

At the end of the first half of 2015, La Poste launched the French IOT programme. The goal of this programme is to bring together and train a large number of players in the IOT ecosystem (start-ups, large groups and regions) by helping large groups and start-ups to develop use cases and services on the digital hub platform. This project falls under the spirit and dynamic of the French government's policy. La Poste will be acting as an ambassador to small and large companies through this programme and the digital hub, to encourage the development of a sustainable economy in the Internet of Things. The programme was unveiled in May at the Paris City Hall with more than 200 start-ups in attendance as well as in Bordeaux during the Métro Num event on the Connected City and during the launch of the city of connected things in Angers on 12 June. On this occasion, La Poste launched a "competition" aiming to enrol 100 start-ups in the digital hub and to select around fifteen to accompany them to CES 2016³ in Las Vegas, with four or five major French groups.

³ CES: Consumer Electronics Show, a trade show focusing on technological innovation for consumer electronic devices.

1.5 €500 million bond issue

The Group successfully launched a €500 million bond due in June 2025, with a 1.125% fixed rate annual coupon.

In an environment with historically low interest rates, these financing conditions enabled Le Groupe La Poste to issue a bond at its lowest coupon ever in its history.

The issue was placed among a top quality and diversified investor base, with nearly 40% international investors.

The Group is thus continuing to actively manage its financial resources while optimising its average cost of financing.

1.6 The Group's commitment to responsible development

Taking into account social and environmental issues is central to the "La Poste 2020: Conquering the Future" strategic plan. During the first half of 2015, Le Groupe La Poste confirmed its commitment in this area as illustrated by the key events presented below.

1.6.1 La Banque Postale ranks 1st place in Oekom Research's non-financial ranking

The German extra-financial rating agency, Oekom Research, published the results of its assessment of the non-financial performance of players in the finance sector at international level, which was conducted at the end of 2014. La Banque Postale took first place with a "C+" grade. This allowed the company to obtain "Premium" status, making it one of the companies eligible to integrate socially responsible investment (SRI) funds. The ranking will enable La Banque Postale to attract institutional investors paying strong attention to the non-financial performance of companies in which they invest.

1.6.2 The Group is expanding its responsible and eco-social offering

1.6.2.1 *Silver economy*

La Banque Postale has offered a new range of care insurance called 'Assurance Autonomie' and 'Forfait Autonomie'. On 8 June 2015, La Poste launched Ardoiz in 32 post offices in Loire-Atlantique and Vendée - a digital tablet designed and developed to facilitate seniors' access to the internet.

1.6.2.2 *Improved Recy'go service offerings to SMEs, micro-businesses and local authorities*

Customers will have the option of cardboard collection, a records management service and a service for destroying confidential documents. The expansion of the Recy'go range is detailed in Chapter 1.4 - External growth and innovations.

1.6.2.3 *Mobigreen has launched Mobiperf*

Mobiperf is a new offering for companies and local authorities with support included for a period of 24 months. With this package, consumption can be reduced over the long-term in three phases including eco-driving training provided to employees by specialised trainers, monitoring fuel consumption with a small device connected to the vehicle's computer and support in managing the package.

1.6.2.4 *Docapost has launched its "Green elections" offering*

The offer comes with a reforestation programme in France, regardless of whether the elections are electronic, hybrid or paper.

1.6.3 Energy transition: continued commitment in transportation and in buildings

1.6.3.1 *Urban logistics*

The Group's goal is to become a reference in urban logistics in major cities and urban units. To date, the deployment of the first delivery systems in clean and sustainable mode has started in Lyon, Bordeaux, Toulouse, Grenoble and Strasbourg. 120 Pickup Stations (lockers) already exist in Paris, Bordeaux, Lyon and Orleans.

1.6.3.2 *Eco-friendly vehicles*

Renault Trucks, a French subsidiary of the Volvo Group, and La Poste entered into a partnership to conduct a one-year test on an electric truck that uses hydrogen. La Poste also signed a partnership with the SIGEIF and GrDF to increase the use of Natural Gas Vehicles (GNV). Lastly, on 11 March 2015, the Infini Drive consortium presented its conclusions and unveiled a Guide on best practices for the use of an electric vehicle and its recharging infrastructure.

1.6.3.3 *Cube 2020⁴*

Poste Immo came in 1st in the overall performance ranking with the Rennes Colombier building by achieving 20.7% in energy savings. The company received a gold medal and also won two other trophies.

1.6.4 Commitment towards vulnerable people

1.6.4.1 *Public service areas*

La Poste has committed to the French government to speed up the roll-out of public service areas by welcoming 500 public service areas by the end of 2016.

1.6.4.2 *Developing volunteering*

La Poste has organised its very first volunteer week, from 13 to 17 April 2015. 18 regions organised around sixty events to promote and support employees volunteering.

1.6.4.3 *Encouraging young people's access to employment*

Le Groupe La Poste has just renewed its partnership with Second-Chance Schools (E2C) ⁵. In addition, Dicapost has welcomed 10 young web developers following a partnership concluded with Web@cadémie⁶. Thanks to these various partnerships, several thousand young people were helped in finding employment.

⁴ A competition organised by the IFPEB (Institut Français pour la Performance Énergétique du Bâtiment, the French Institute for Building Energy Performance), Cube 2020 mobilised 25 participating entities (Gecina, Bouygues Télécom, EDF, etc.), committed to reducing their energy consumption for one year in one or more of their service sector buildings solely through eco-friendly behaviour. Poste Immo signed up 11 sites, i.e. 141,000 m² and 6,600 employees representing 15% of the sites enrolled.

⁵ E2C's goal is to encourage social and professional integration of young people with no qualifications via suitable training and issuing certificates for skills acquired.

⁶ Web@cadémie is a school for young people aged 18 to 25 who did not obtain a Baccalaureate diploma. The school offers these young people training in web development.

1.6.5 La Poste: a partner of COP21

As part of the COP (Conference of Parties) and related events, the Group launched an advertising campaign entitled "With a little yellow, you see more green", used in several media outlets. Likewise, during the 2015 Sustainable Development Week, several communications media (ETC internal communication time, hors-série Focus, etc.) were disseminated in post offices, a special edition of Posteo informed elected officials about the Group's responsible offerings, and several events to raise employee awareness took place in the Group. The Group highlights thus its fleet of electric vehicles, the largest in the world, its 100% carbon-neutral offerings and Recy'go's range of collection and recycling services. The Group's goal is to gradually extend all of its expertise to external customers by building on its experience in energy-efficiency improvements, eco-mobility, energy management and waste recovery.

1.7 La Poste, a responsible employer

1.7.1 Social dialogue

The beginning of 2015 was characterised by intense social dialogue which resulted in several agreements being signed:

- On 5 February, in accordance with the commitments made under the "La Poste 2020: Conquering the Future" strategic plan, three majority social agreements were signed to make employees the players and beneficiaries of La Poste's transformation:
 - ✓ "A future for every employee", signed by CFDT, FO and CFTC-CGC-UNSA, which makes training and professional development key concerns for the Group;
 - ✓ The creation of "salary supplement", signed by CGT, CFDT and CFTC-CGC-UNSA;
 - ✓ A change to the salary grid for La Poste's state employees in categories B and C, a unanimous agreement signed by CGT, CFDT, SUD, FO, CFTC-CGC-UNSA.
- On 12 March, La Poste and CFDT, FO and the CFTC-UNSA union organisations signed a 2015 salary agreement at the end of mandatory annual negotiations. This agreement primarily pertains to a compensation increase for private employees, but it also includes certain measures applicable to all employees.
- On 26 May, La Poste and the CFDT, FO, CFTC-CGC-UNSA union organisations, which represent 52% of employees, also signed a majority agreement in favour of employing disabled people, the 6th agreement signed on this topic at La Poste.
- In June, an agreement on employee incentive scheme for the 2015-2017 period was signed by CFDT, FO, CFTC and CGC.
- Lastly, the period ended with the signing of a third agreement on gender equality at La Poste by CGT, CFDT, FO, CFTC-CGC-UNSA on 3 July 2015.

Negotiations on social dialogue and union rights were also launched and the new bodies issued from the professional elections held in December 2014 (CHSCT, Technical Committees, Professional Ability Certificate qualification (CAP), joint advisory Committees (CCP), etc.), were established.

Also, in the business units, negotiations have been launched in particular on delivery working conditions (Services-Mail-Parcels business unit), the future of jobs in the banking sector (AMB3) in Financial Services as well as on sales management at the Network and in Financial Services.

1.7.2 Training and professional development

Training and professional development are a crucial matter for employee development and La Poste's development.

To this end, professional development measures from the "A future for every employee" agreement have been implemented.

Furthermore, employee interviews have been put in place. Now, each employee will receive an interview with his or her manager once per year to discuss his or her career path.

The first career paths offering qualifications, as provided in the Social Pact, were also implemented starting in April 2015. More than 1,500 career-paths have already been initiated at the end of the first half of the year. The qualifications are minimum 10-day training programmes, and once passed, the employee obtains an internal certification and a bonus. They may involve many jobs within La Poste. For example, career paths that offer qualifications for postmen and site managers at the Network were launched during the first half of the year. The Group's goal is to offer 50,000 career paths that offer qualifications throughout the duration of the strategic plan.

The first Group Mobility Spaces were launched in Nantes and Lille in June, which will enable employees to fulfil their career ambitions at the Group level.

As part of the *Alliance Dynamique*, all of the measures encouraging employee mobility towards the Social and Solidarity Economy have been implemented.

The job, skills and qualifications observatory held a meeting on 30 June 2015. The observatory will provide employees and their representatives visibility regarding jobs and their evolution. Three job categories will be given priority: postmen jobs, banking advisor jobs and IT jobs.

1.7.3 Health and quality of life at work

La Poste has partnered up with ANACT (National Agency for the Improvement in Working Conditions) for the Week of Quality of Life at Work, from 15 to 19 June 2015.

The duties of risk preventers, occupational nurses, social security assistants and occupational health assistants have also been redefined to better monitor and pay better attention to each employee.

As at 30 June 2015, La Poste had 1,200 employees working remotely under the agreement signed in 2013.

1.7.4 Professionalisation of HR and management areas

The managerial development programme, for all Group managers, was launched by the Group's Institute of Management. It provides each manager with the means to take actions securing the success of the Group's strategic plan.

Training for professional development advisors was also launched as a career path that offers qualifications.

1.7.5 Diversity – equal opportunity

The review from the 2012-2014 Disability agreement, approved by DIRECCTE⁷ Île de France in June 2015, was very positive: the rate of employment of disabled workers more than doubled in three years to 4.11% at end-2014.

More than 8,500 disabled workers were employed at La Poste as of the first half of 2015.

⁷ Regional directorates of companies, competition, consumer affairs, labour and employment

2. Summary of Le Groupe La Poste consolidated results

2.1 Pro forma financial statements for 2014

The 2014 financial statements were adjusted for the initial application of the interpretation of IFRIC 21 on levies and for the application of IFRS 10. The reconciliation tables are available below.

Pro forma segment reporting, impacted by changes in the Group's structure and the interpretation of IFRIC 21 is detailed in Section 3.1.3.

2.1.1 Income statement as at 30 June 2014

| | 2014.06 Reported | Reconciliati on of Reported to Pro forma | 2014.06 <i>pro forma</i> |
|---|---------------------|---|-----------------------------|
| <i>(€ million)</i> | | | |
| Operating revenue (a) | 10,973 | -8 | 10,965 |
| Operating expenses (b) | -10,491 | -51 | -10,542 |
| Operating profit | 482 | -58 | 423 |
| Share of net profit/(loss) from companies under joint control | 4 | 0 | 4 |
| Operating profit after share of net profit/(loss) from companies under joint control | 485 | -58 | 427 |
| Financial profit/(loss) | -102 | 0 | -102 |
| Profit before tax | 383 | -58 | 324 |
| Income tax | -126 | 22 | -103 |
| Share of profit of other equity associates | 115 | 0 | 115 |
| CONSOLIDATED NET PROFIT/(LOSS) | 372 | -36 | 336 |
| Net profit Group share | 355 | -34 | 322 |
| Non-controlling interests | 17 | -3 | 14 |

(a) Asset depreciation corresponding to the value of contracts in stock, recognised in LBP Prévoyance's opening balance sheet following the initial application of IFRS 10 in 2014. See the Registration Document as at 31 December 2014, Chapter 20 of the consolidated financial statements, Note 3.1.1.

(b) First-time application of the interpretation of IFRIC 21 as at 30 June 2014. As at 31 December 2014, the application of IFRIC 21 had no impact on the income statement.

2.1.2 Change in cash and cash equivalents as at 30 June 2014

| (€ million) | 2014.06 Reported | Reconciliati on of Reported to Pro forma | 2014.06 <i>pro forma</i> |
|---|---------------------|---|-----------------------------|
| Cash flows from operating activities | 616 | -0 | 616 |
| <i>EBITDA (excluding La Banque Postale)</i> | 464 | -32 | 431 |
| <i>Dividends received from LBP and equity associates</i> | 265 | 0 | 265 |
| <i>Change in working capital requirement</i> | -175 | 32 | -143 |
| <i>CICE for the period</i> | -178 | 0 | -178 |
| <i>Taxes paid</i> | 188 | 0 | 188 |
| <i>CICE credited against taxes</i> | 60 | 0 | 60 |
| <i>Other cash flows from operating activities</i> | -8 | 0 | -8 |
| Cash flows from investing activities | -348 | 0 | -348 |
| Free cash flows | 268 | -0 | 268 |
| Dividends paid | -171 | 0 | -171 |
| Net interest paid | -28 | 0 | -28 |
| Net free cash flows | 69 | -0 | 69 |
| Other items in changes in net debt (including interest accrued but not due) | -58 | 0 | -58 |
| CHANGE IN NET DEBT | 10 | 0 | 10 |
| <i>Net debt at the beginning of the period</i> | 3,805 | 0 | 3,805 |
| <i>Net debt at the end of the period</i> | 3,795 | 0 | 3,795 |
| Change in cash flows from financing activities | -161 | 0 | -161 |
| Change in financial assets used in cash management | -17 | 0 | -17 |
| Other flows | 290 | 0 | 290 |
| CHANGE IN CASH AND CASH EQUIVALENTS | 123 | 0 | 123 |
| <i>Cash and cash equivalents at the beginning of the period</i> | 2,104 | 0 | 2,104 |
| <i>Cash and cash equivalents at the end of the period</i> | 2,227 | 0 | 2,227 |

(*): "-" : increase / "+" decrease

2.1.3 Equity as at 30 June 2014

| <i>(€ million)</i> | 2014.06 Reported | Reconciliati on of Reported to Pro forma | 2014.06 <i>pro forma</i> |
|---|-----------------------------|---|-------------------------------------|
| Consolidated Group share (beginning of the period) | 8,615 | 0 | 8,615 |
| Capital increase | 0 | 0 | 0 |
| Net profit Group share | 355 | -34 | 322 |
| Dividend payments | -171 | 0 | -171 |
| Unrealised gains and losses on financial instruments | 145 | 0 | 145 |
| Translation adjustments | 33 | 0 | 33 |
| Actuarial differences | -47 | 0 | -47 |
| Other items | -209 | 180 | -29 |
| Equity Group share | 8,722 | 146 | 8,868 |
| Non-controlling interests | 204 | 59 | 263 |
| CONSOLIDATED EQUITY (END OF PERIOD) | 8,926 | 205 | 9,131 |

2.2 Le Groupe La Poste consolidated results

| (€ million) | Half-year ended 30 June | | | | | |
|--|-------------------------|----------------------------|-------------|---------------|---|---------------|
| | 6/2015 | 6/2014 <i>pro forma</i> | Change | | Change at constant scope and exchange rates (vs pro forma) | |
| | | | (€m) | (in %) | (€m) | (in %) |
| Group operating performance | | | | | | |
| Operating revenue | 11,459 | 10,965 | +494 | +4.5% | +333 | +3.0% |
| Operating profit (after share of net profit of companies under joint control) | 616 | 427 | +189 | +44.3% | +178 | +40.9% |
| <i>Operating margin</i> | 5.4% | 3.9% | - | 1.5 pt | - | 1.4 pt |
| Net profit Group share | 424 | 322 | +102 | +31.7% | +90 | +27.4% |
| <i>Net margin</i> | 3.7% | 2.9% | - | 0.8 pt | - | 0.7 pt |
| Free cash flows | 532 | 268 | +264 | +98.7% | | |
| Key figures – La Banque Postale | | | | | | |
| Net Banking Income | 2,929 | 2,847 | +82 | +2.9% | +73 | +2.6% |
| <i>Operating ratio</i> | 81.5% | 82.4% | - | -0.9 pt | | |

| (€ million) | Half-year ended 30 June | | | |
|---|-------------------------|-----------------------------|-------------|---------------|
| | 6/2015 | 12/2014 <i>pro forma</i> | Change | |
| | | | (€m) | (in %) |
| Key financial indicators | | | | |
| Net debt | 3,713 | 4,005 | -292 | -7.3% |
| Equity Group share | 9,435 | 9,112 | +323 | +3.5 % |
| <i>Net debt / Equity - Group share</i> | 39.4% | 44.0% | - | -4.6 pt |
| <i>Average net profit/ Equity - Group share</i> | 6.5% | 5.6% | - | 0.9 pt |
| Common Equity Tier 1 (CET 1)* | 13.1% | 12.7% | - | 0.4 pt |
| Loan to deposit ratio | 74% | 75% | - | -1.0 pt |

*CET1 ratio with the application of transitional measures.

2.2.1 Operating revenue

Le Groupe La Poste's operating revenue amounted to €11,459 million at end-June 2015, up €494 million (+4.5 %). Revenue increased for all business units, with particularly dynamic growth in express activities (GeoPost business unit) and banking activities (La Banque Postale business unit).

| (€ million) | Half-year ended 30 June | | | | | |
|---------------------------------|-------------------------|------------------|---------------------|---------------|---|---------------|
| | 6/2015 | 6/2014 | Change | | Change at constant scope and exchange rates | |
| | | <i>pro forma</i> | <i>vs pro forma</i> | <i>(in %)</i> | <i>(vs pro forma)</i> | <i>(in %)</i> |
| | | | (€m) | (in %) | (€m) | (in %) |
| Services - Mail - Parcels | 5,757 | 5,724 | +33 | +0.6% | +39 | +0.7% |
| GeoPost | 2,693 | 2,311 | +382 | +16.5% | +222 | +9.3% |
| La Banque Postale | 2,929 | 2,847 | +82 | +2.9% | +73 | +2.6% |
| Digital Services | 278 | 265 | +13 | +4.9% | +13 | +4.9% |
| Other segments and intercompany | -198 | -181 | -17 | +9.2% | -14 | +7.9% |
| OPERATING REVENUE | 11,459 | 10,965 | +494 | +4.5% | +333 | +3.0% |

Breakdown of the €494 million increase in the Group's operating revenue:

- €333 million in organic growth, i.e. 3.0%;
- Scope effect of €72 million, which mainly came from GeoPost for €71 million (Siodemka and Worldnet);
- Positive exchange rate movements for €89 million, with a favourable impact of €52 million on the pound sterling (GBP).

Operating revenue for the first half of 2015 was characterised by the following:

- €5,757 million in revenue for the Services-Mail-Parcels business unit, with a €33 million increase (i.e. 0.6%).

Mail revenue came in at €4,732 million, slightly up (€11 million increase) compared to the first half of 2014, driven by a price increase at the beginning of the year (+7% on average, or +€293 million), which was then offset by rapidly declining volumes estimated at 7%, or -€286 million. Mail also continued its policy to innovate and develop new postmen services.

Mail subsidiaries positioned in e-logistics and direct marketing activities posted 2.1% higher revenue compared to June 2014 reaching €256 million, in line with their strategy to win back more market share.

The Parcel division recorded a €17 million increase, to €770 million, with volumes now stabilised following efforts led in terms of commercial positioning, maintaining a high quality of service and a favourable price/mix effect, tied, in particular, to the January 2015 price increase.

- GeoPost revenue increased 16.5% to total €2,693 million. Restated for scope and exchange rates, organic growth amounted to €222 million, i.e. 9.3%. This increase in revenue was due to a growth in volumes in all regions (+10.2% on average), and more specifically, in the United Kingdom;
- In an environment with historically low interest rates, La Banque Postale's Net Banking Income increased 2.9% and reached €2,929 million by the end of June 2015. At constant scope and after adjustment for the home-savings provision, it rose 3.9%, i.e. €113 million. NBI for retail banking, after adjustment for the home-savings provision and scope effects, increased 3.7%, driven in particular by customer commissions and the development of loans to corporate customers. NBI for the Asset Management division posted +19.5% growth under the effect of discretionary asset management and high portfolio turnover.
- Digital Services revenue, at €278 million, was up 4.9%, including in particular an increase in internal commissioning related to sales development on the Laposte.fr website.

2.2.2 Operating profit

The Group's operating profit, after share of net profit of companies under joint control, totalled €616 million at end-June 2015, up €189 million from June 2014. This sharp increase in operating profit was driven by initiatives led under the La Poste 2020 plan, on both developing revenue (GeoPost and La Banque Postale's growth, and more generally, on all of the business units' policy to innovate and expand into new areas), and also on substantial efforts to control operating expenses, specifically in La Poste parent company's entities, which include the Group's traditional business activities.

| (€ million) | Half-year ended 30 June | | | | | |
|--|-------------------------|------------------|---------------------|---------------|---|---------------|
| | 6/2015 | 6/2014 | Change | | Change at constant scope and exchange rates | |
| | | <i>pro forma</i> | <i>vs pro forma</i> | | <i>(vs pro forma)</i> | |
| | | | (€m) | (in %) | (€m) | (in %) |
| Services - Mail - Parcels | 508 | 308 | +200 | +65.0% | +200 | +65.0% |
| GeoPost | 171 | 127 | +44 | +34.9% | +31 | +22.9% |
| La Banque Postale | 468 | 439 | +30 | +6.8% | +29 | +6.7% |
| La Poste Network | -37 | -25 | -12 | +47.1% | -12 | +47.1% |
| Digital Services | -9 | -13 | +4 | -29.7% | +4 | -29.7% |
| Real estate | 4 | 17 | -13 | -75.2% | -13 | -75.2% |
| Support and Structure | -159 | -111 | -48 | +43.2% | -48 | +43.2% |
| Unallocated and eliminations | -331 | -314 | -17 | +5.3% | -15 | +4.6% |
| OPERATING PROFIT AFTER SHARE OF NET PROFIT OF COMPANIES UNDER JOINT CONTROL | 616 | 427 | +189 | +44.3% | +178 | +40.9% |

Highlights of operating profit by business unit are as follows:

- Services-Mail-Parcels: this business unit's €200 million increase in operating profit (to €508 million as at end-June 2015) was primarily driven by the mail price increase on 1 January 2015 as well as by major cost control efforts to respond to rapidly declining mail volumes. The Parcel division also posted a rise in its operating profit, with growing revenue and cost savings.

- GeoPost's operating profit was up €44 million, to €171 million at 30 June 2015. Adjusted for the provision for risk recognised in June 2014 as part of the French Competition Authority's investigation of various players in the French transportation and courier market, GeoPost's operating profit was unchanged. Revenue growth over the first half of 2015 was offset by the cost of several projects launched in 2015, including the implementation of GeoPost's new European strategy, which includes the new DPD brand and costs to reposition Germany more towards BtoC.
- Despite an environment with unfavourable interest rates and the launch of major transformation projects (Cap Client 3.0, Concerto, creation of dedicated channels for asset management and Professional customers), La Banque Postale's operating profit rose €30 million at end-June 2015 to €468 million. It was driven by an increase in outstanding loans, customer commissions, and an active partnership policy. The operating ratio continued to improve and was 81.5% at end-June 2015.
- The change in operating profit for La Poste Network (-€12 million) was mainly associated with a decline in invoices to business units as a result of the Network's ability to control its costs and adapt to the drop in activity in post offices.
- Operating profit for the Digital Services business unit improved slightly, but remained negative at -€9 million at end-June 2015, given some non-recurring expenses for the subsidiaries.
- Other business segments:
 - ✓ Real Estate posted €4 million in operating profit, down €13 million compared to June 2014, with a decrease in intercompany invoicing and fewer asset disposals;
 - ✓ The shortfall in the Supports and structures segment was related, among other things, to provisioned exceptional costs in relation to the planned move of headquarters, which will, however, yield substantial savings over the medium-term;
 - ✓ The decrease in profit from the Unallocated and eliminations segment pertained to an increase in subscriptions to Group retirement plans considered as cross-entity, and therefore not allocated to the business units.

2.2.3 Financial profit

Financial profit was €74 million (expense), a €28 million improvement compared to June 2014, with in particular:

- A decline in net borrowing cost of €21 million due to a drop in interest rates (net interest expense down €2 million) accentuated by a €20 million favourable impact from the change in fair value of swaps tied to debt and to the credit spread of the debt;
- A €7 million improvement from other financial items (essentially the cost of discounting social debt expenses).

2.2.4 Net profit

Net profit Group share, at €424 million, increased €102 million compared to June 2014. In addition to profit before tax increasing €217 million, the following was noted:

- A €113 million increase in tax expense, mostly due to an increase in profit before tax;
- A €2 million decrease in the share in profit of equity associates, primarily CNP Assurances;
- Stability in the share allocated to non-controlling interests.

2.2.5 Free cash flows

Free cash flows were positive at €532 million. They are up by €264 million compared to June 2014, particularly due to EBITDA (+ €198 million) and to dividends received from equity associates (€70 million).

After taking into account interests paid in the amount of €24 million, down €3 million compared to June 2014, and dividends paid to Group shareholders (€171 million), Group net debt⁸ fell €292 million during the first half of 2015 to reach €3,713 million.

2.2.6 Financial ratios

The "net debt / equity" ratio fell to 0.39, confirming the Group's sound financial structure.

⁸ Group net debt excludes La Banque Postale, for which this concept is not relevant.

3. Performance by operating segment

3.1 Summary of performance

3.1.1 Operating segments

Segment reporting is presented in accordance with IFRS 8—Operating Sectors.

A segment is a distinguishable component for which separate financial information is available and regularly reviewed by the Group's Executive Management for the purpose of allocating resources and assessing performance.

The criteria used to define operating segments specifically include: the nature of the products distributed, the type or class of customer for whom they are intended, the production process, the distribution network and the regulatory environment.

The definition of operating segments is based on Le Groupe La Poste's current management structure.

3.1.1.1 *Changes in scope in 2015*

- Readjusting the scope of the Services-Mail-Parcels and Digital Services segments: The Mail "Subsidiary" division, which is part of the Services-Mail-Parcels segment saw its scope change with the transfer of electronic publishing, digitisation and archiving (entities in the Docapost DPS sub-division) to the Digital Services segment, which now focuses on electronic publishing, digitisation, e-marketing (data marketing, campaign management, customer knowledge, etc.), digital platform management and La Poste online, as well as responsibility for the Group's digital transformation;
- Transfer of the Dsem (Support and Maintenance Department) of the Supports and Structures segment to La Poste Network;
- Transfer of the commercial banking department from the Shared Resources unit (La Banque Postale segment) to La Poste Network. This transfer will not generate any additional cost for the La Banque Postale business unit.

3.1.1.2 *The other segments remain unchanged:*

- The GeoPost business unit focuses on the Group's express activities and express BtoB and BtoC in France and abroad under the following main brands: DPD, Chronopost and SEUR;
- The La Banque Postale business unit includes the Banking and Insurance activities of the La Banque Postale subgroup as well as those of the Shared Resources unit (a La Poste parent company entity);
- The La Poste Network business unit (formerly named the Retail Brand) encompasses the sale and distribution activities of Le Groupe La Poste intended for retail customers. The mobile telephone business, under the name La Poste Mobile, is also part of this business unit via the joint venture with SFR.
- The Real Estate segment includes the sub-group Poste Immo's management of the real estate portfolio, asset management and property development management and the La Poste parent company's Real Estate Operations department;
- The Support and Structures segment includes the Group's headquarters services and support departments;

- The Unallocated segment includes, in particular, the cost of the Universal Postal Service accessibility mission, the cost of the regional planning mission as well as the corresponding local tax allowance and lastly, the transitional costs associated retirement schemes that affect the Group and which are considered as cross-entity and therefore not allocated to the business units.

3.1.2 Results of operations as at 30 June 2015 by operating segment

3.1.2.1 Data as at 30 June 2015

| (€ million) | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real estate | Support and Structure | Unallocated | Elim. | TOTAL |
|---|-----------------------|--------------|-------------------|------------------|------------------|-------------|-----------------------|-------------|---------------|---------------|
| External Revenue & NBI | 5,621 | 2,659 | 2,922 | 234 | 17 | 4 | 0 | | | 11,459 |
| Intersegment Revenue & NBI | 136 | 33 | 7 | 44 | 2,031 | 410 | 332 | 0 | -2,993 | -0 |
| Operating revenue | 5,757 | 2,693 | 2,929 | 278 | 2,049 | 414 | 332 | | -2,993 | 11,459 |
| Operating profit before share of net profit of companies under joint control | 507 | 170 | 468 | -9 | -35 | 3 | -159 | -331 | 0 | 615 |
| Net profit of companies under joint control | 1 | 1 | 0 | 0 | -2 | 1 | 0 | 0 | 0 | 1 |
| Operating profit after net profit of companies under joint control | 508 | 171 | 468 | -9 | -37 | 4 | -159 | -331 | 0 | 616 |

3.1.2.2 Data as at 30 June 2014

| (€ million) | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real estate | Support and Structure | Unallocated | Elim. | TOTAL |
|---|-----------------------|--------------|-------------------|------------------|------------------|-------------|-----------------------|-------------|---------------|---------------|
| External Revenue & NBI | 5,593 | 2,275 | 2,839 | 243 | 12 | 3 | 0 | 0 | 0 | 10,965 |
| Intersegment Revenue & NBI | 131 | 36 | 7 | 22 | 2,076 | 417 | 330 | 0 | -3,019 | 0 |
| Operating revenue | 5,724 | 2,311 | 2,847 | 265 | 2,088 | 420 | 330 | 0 | -3,019 | 10,965 |
| Operating profit before share of net profit of companies under joint control | 308 | 124 | 439 | -13 | -22 | 14 | -111 | -314 | -0 | 423 |
| Net profit of companies under joint control | 1 | 3 | 0 | 0 | -3 | 3 | 0 | 0 | 0 | 4 |
| Operating profit after net profit of companies under joint control | 308 | 127 | 439 | -13 | -25 | 17 | -111 | -314 | -0 | 427 |

3.1.3 Reconciliation of the financial statements published as at 30 June 2014 and the 2014 pro forma financial statements

3.1.3.1 Data published as at 30 June 2014 (A)

| | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real estate | Support and Structure | Unallocated | Elim. | TOTAL |
|---|-----------------------|--------------|-------------------|------------------|------------------|-------------|-----------------------|-------------|---------------|---------------|
| <i>(€ million)</i> | | | | | | | | | | |
| External Revenue & NBI | 5,649 | 2,275 | 2,847 | 187 | 12 | 4 | -0.98 | 0 | 0 | 10,973 |
| Intersegment Revenue & NBI | 132 | 36 | 7 | 25 | 2,003 | 417 | 410.56 | 0 | -3,031 | -0 |
| Operating revenue | 5,781 | 2,311 | 2,854 | 212 | 2,016 | 420 | 410 | 0 | -3,031 | 10,973 |
| Operating profit before share of net profit of companies under joint control | 321 | 124 | 466 | -18 | -24 | 31 | -108 | -310 | -1 | 482 |
| Net profit of companies under joint control | 1 | 3 | 0 | 0 | -3 | 3 | 0 | 0 | 0 | 4 |
| Operating profit after net profit of companies under joint control | 321 | 127 | 466 | -18 | -27 | 34 | -108 | -310 | -1 | 485 |

3.1.3.2 Application of the interpretation of IFRIC 21 (B)

| | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real estate | Support and Structure | Unallocated | Elim. | TOTAL |
|---|-----------------------|----------|-------------------|------------------|------------------|-------------|-----------------------|-------------|----------|------------|
| <i>(€ million)</i> | | | | | | | | | | |
| External Revenue & NBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intersegment Revenue & NBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating profit before share of net profit of companies under joint control | -9 | 0 | -20 | 0 | -1 | -17 | -4 | 0 | 0 | -51 |
| Net profit of companies under joint control | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating profit after net profit of companies under joint control | -9 | 0 | -20 | 0 | -1 | -17 | -4 | 0 | 0 | -51 |

Impact of IFRS, see Note a, Chapter 2.1.1.1

3.1.3.3 Impact of IFRS 10 (C)

| | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real estate | Support and Structure | Unallocated | Elim. | TOTAL |
|---|-----------------------|----------|-------------------|------------------|------------------|-------------|-----------------------|-------------|----------|-----------|
| <i>(€ million)</i> | | | | | | | | | | |
| External Revenue & NBI | 0 | 0 | -8 | 0 | 0 | 0 | 0 | 0 | 0 | -8 |
| Intersegment Revenue & NBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating revenue | 0 | 0 | -8 | 0 | 0 | 0 | 0 | 0 | 0 | -8 |
| Operating profit before share of net profit of companies under joint control | 0 | 0 | -8 | 0 | 0 | 0 | 0 | 0 | 0 | -8 |
| Net profit of companies under joint control | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating profit after net profit of companies under joint control | 0 | 0 | -8 | 0 | 0 | 0 | 0 | 0 | 0 | -8 |

Impact of IFRS, see Note a, Chapter 2.1.1.1

3.1.3.4 *New splitting between the Services-Mail-Parcels and Digital Services segments and transfer of Dsem (D)*

| | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real estate | Support and Structure | Unallocated | Elim. | TOTAL |
|---|-----------------------|-----------|-------------------|------------------|------------------|-------------|-----------------------|-------------|-----------|-----------|
| <i>(€ million)</i> | | | | | | | | | | |
| External Revenue & NBI | -56 | 0 | -0 | 56 | -0 | -0 | 1 | 0 | -0 | 0 |
| Intersegment Revenue & NBI | -1 | -0 | 0 | -3 | 73 | 0 | -81 | 0 | 12 | 0 |
| Operating revenue | -57 | -0 | 0 | 53 | 73 | 0 | -80 | 0 | 11 | 0 |
| Operating profit before share of net profit of companies under joint control | -4 | -0 | 0 | 4 | 2 | 0 | 1 | -4 | 1 | 0 |
| Net profit of companies under joint control | 0 | 0 | 0 | 0 | -0 | 0 | 0 | 0 | -0 | -0 |
| Operating profit after net profit of companies under joint control | -4 | 0 | 0 | 4 | 2 | 0 | 1 | -4 | 1 | -0 |

3.1.3.5 *Pro forma financial statements 6/2014 (A+B+C+D)*

| | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real estate | Support and Structure | Unallocated | Elim. | TOTAL |
|---|-----------------------|--------------|-------------------|------------------|------------------|-------------|-----------------------|-------------|---------------|---------------|
| <i>(€ million)</i> | | | | | | | | | | |
| External Revenue & NBI | 5,593 | 2,275 | 2,839 | 243 | 12 | 3 | 0 | 0 | 0 | 10,965 |
| Intersegment Revenue & NBI | 131 | 36 | 7 | 22 | 2,076 | 417 | 330 | 0 | -3,019 | 0 |
| Operating revenue | 5,724 | 2,311 | 2,847 | 265 | 2,088 | 420 | 330 | 0 | -3,019 | 10,965 |
| Operating profit before share of net profit of companies under joint control | 308 | 124 | 439 | -13 | -22 | 14 | -111 | -314 | -0 | 423 |
| Net profit of companies under joint control | 1 | 3 | 0 | 0 | -3 | 3 | 0 | 0 | 0 | 4 |
| Operating profit after net profit of companies under joint control | 308 | 127 | 439 | -13 | -25 | 17 | -111 | -314 | -0 | 427 |

3.2 Services-Mail-Parcels business unit

The Services-Mail-Parcels business unit includes:

- The La Poste parent company mail business including collection, sorting, and delivery of letters, advertising and newspapers, as well as the new postmen services;
- The La Poste parent company parcel activity, which specialises in deferred delivery (two-day) of BtoC or CtoC parcels under 30 kg in France;
- The Mail subsidiaries operating in the direct marketing markets (primarily Mediapost France and Sogec) and in the logistics and e-logistics solutions markets (essentially Viapost, STP and Neolog) as well as in the cross-border mail with the joint venture with Swiss Post (Asendia), which is accounted for by the equity method in the Group and in the business unit's consolidated financial statements.

| (€ million) | 6/2015 | 6/2014 | Change | |
|---|------------|------------------|---------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Revenue | 5,757 | 5,724 | +33 | +0.6% |
| <i>Of which intercompany revenue</i> | 5,621 | 5,593 | +29 | +0.5% |
| Operating expenses | -5,250 | -5,416 | +166 | -3.1% |
| Operating profit before share of net profit of companies under joint control | 507 | 308 | +200 | +64.9% |
| <i>Operating margin</i> | 8.8% | 5.4% | | 3.4 pt |
| Share of net profit of companies under joint control | 1 | 1 | +1 | +94.1% |
| OPERATING PROFIT AFTER SHARE OF NET PROFIT OF COMPANIES UNDER JOINT CONTROL | 508 | 308 | +200 | +65.0% |

3.2.1 Services and Mail divisions

As at 30 June 2015, revenue amounted to €4,988 million, up €16 million.

The parent company mail revenue, at €4,732 million, rose €11 million compared to 2014, i.e. +0.2%. This change was mostly due to:

- The 1 January 2015 average price increase of 7% (impact of +€293 million);
- The decrease in volumes, estimated at 7% overall at end-June 2015, i.e. an impact of -€286 million on revenue. The drop was due to still fragile growth in France, companies streamlining their shipments as well as to a sharp decline in direct marketing in an environment where advertising budgets are being restricted in general;
- Elections, up €7 million, offset by a -€10 million decrease in the press contribution;
- The +€7 million growth in services associated with sound performances in pick-up and delivery services (+€1 million), Recy'go (+€2 million, i.e. +50%) and new postmen services (+€4 million).

These new services launched in 2014 (Cohesio, Releveo, Facileo delivery with comments, Porteo, etc.) were performed by all postmen throughout the territory using the Facteo connected network (70% of postmen equipped at the end of the first half of 2015). 259 contracts have been signed at 30 June 2015, representing two services per postman per week.

Quality of service remained high with a next-day delivery rate for Priority Mail of 86.3%.

Revenue of the Mail subsidiaries amounted to €256 million as at 30 June 2015, up €5 million from 2014. Excluding scope effect (exit of Neopress in September 2014), the €11 million increase mainly resulted from:

- An increase in revenue from Mediapost's international subsidiaries (+€2 million) due to strong commercial momentum in Spain, which offset the decrease (-€2 million) in Mediapost France's revenue. The new growth drivers partially covered the drop in printed advertising materials, which, despite good commercial momentum characterised by a more than 3% increase in volumes, suffered in the French market, which was destabilised by price slashing in a very competitive environment;
- An increase in Viapost Services (the logistics subsidiary) revenue (+€12 million), driven by a sustained growth in sales in transportation and logistics services activities since mid-2014.

3.2.2 Parcel division

Revenue for the first half of 2015 was €770 million, up €17 million (i.e. +2.2%).

After a 2.9% decrease at end-June 2014, traffic rose slightly by +0.3% during the first half of 2015, with a €2 million positive impact on revenue. This positive trend reflects the initial effects of the strategy initiated by the Parcel division to win back business.

CtoC volumes have been down since the beginning of 2015, reflecting a gradual change in customer uses (with the development of online purchases, customers can now have a product directly delivered to the final recipient, instead of buying it in a store then ship it to the final recipient). BtoC volumes were stable compared to the first half of 2014, with on the one hand an increase in deliveries to pick-up and drop-off points (+37%) and on the other hand the continued decline in Coliéco volumes, in line with the decreased activity of traditional mail order companies. The very sharp increase in international volumes should also be noted (+48%), reflecting the action plans initiated by the Parcel division in this area, which shows significant growth potential.

Price increases in March 2014 and January 2015, as well as the change in product mix related to export, positively impacted revenue in the amount of €19 million.

Lastly, other services and fuel impact contributed -€11 million.

It is worth noting that La Poste now offers new packaging in post offices, thus offering its customers standardised containers for different shipments. Sales for these packages amounted to €6 million at end-June 2015.

Quality of service remained high, with a two-day delivery rate of 94.3% over the first half of 2015, in line with what was recorded at end-June 2014.

3.2.3 Operating profit

Operating profit for the Services-Mail-Parcels business unit totalled €508 million at 30 June 2015, up €200 million compared to 30 June 2014, i.e. +65.0%.

This increase is to be related with the significant impact of the pricing policy as well as the major efforts to control costs that have been under way for several semesters:

- The Services and Mail divisions' expenses fell €142 million, due to processes optimisation rolled-out so as to face volume declines.

- The Parcel division's variable expenses were down nearly €11 million, due to improved productivity in the Parcel platforms (PFC) and in the Coliposte agencies. Fixed expenses and corporate costs were also down €13 million, particularly on IT spending; however, some project expenses will impact the second half of the year.

3.3 GeoPost

GeoPost, a subsidiary of Le Groupe La Poste, includes deferred and express parcel activities in France and abroad under the following main commercial brands: DPD Group, Chronopost in France, SEUR in Spain, Interlink Express in the United Kingdom and Tigers (freight forwarding company based in Asia and in Australia). GeoPost's subsidiaries are mainly involved in the business-to-business (BtoB) market, although they are increasingly involved in the BtoC market (30% of volumes as at end-June 2015).

The carry-over effect from acquisitions made in 2014 (purchase of SEUR franchises, takeover of Worldnet and acquisition of the Polish entity Siodemka), as well as the impact from changes in scope during the first half of 2015 (acquisition of WorldLink in Australia and disposal of IBC) led to a +€71 million positive scope effect on GeoPost revenue at end-June 2015.

| (€ million) | 6/2015 | 6/2014 | Change | |
|---|------------|------------------|---------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Revenue | 2,693 | 2,311 | +382 | +16.5% |
| <i>Of which intercompany revenue</i> | 2,659 | 2,275 | +385 | +16.9% |
| Operating expenses | -2,522 | -2,187 | -335 | +15.3% |
| Operating profit before share of net profit of companies under joint control | 170 | 124 | +46 | +37.4% |
| <i>Operating margin</i> | 6.3% | 5.4% | | 1.0 pt |
| Share of net profit of companies under joint control | 1 | 3 | -2 | -68.3% |
| OPERATING PROFIT AFTER SHARE OF NET PROFIT OF COMPANIES UNDER JOINT CONTROL | 171 | 127 | 44 | +34.9% |

3.3.1 New marked increase in volumes

At end-June 2015, GeoPost revenue was €2,693 million, a +€382 million increase (+16.5%) compared to end-June 2014. Adjusted for scope (+€71 million) and exchange rates (+€89 million), organic growth was €222 million, i.e. +9.3%.

This very strong performance was driven by a volume effect of €261 million, i.e. +10.2% growth in organic volumes. The price and mix effect, in particular resulting from the growing share of toC, had an unfavourable impact on revenue in the amount of €41 million, while other services and the impact of fuel increased €2 million.

In the first half of 2015, GeoPost launched its new international commercial brand, DPD Group. Part of GeoPost's strategy is to develop brand visibility, aiming to support its customers in their cross-border exchanges in a unified manner, while offering maximum quality of service. Within this context, GeoPost's subsidiaries have adopted a shared visual code under the DPD Group banner in 22 European countries, with the exception of Chronopost in France, SEUR in Spain and Interlink Express in the United Kingdom, which kept their current brand due to their strong presence in their local markets, but which will gradually adopt the DPD Group visual identity. This initiative will help to support the growth of GeoPost's business over the medium-term.

Organic changes in revenue in the first half of 2015 were positive in all geographic regions and are continuing the trends previously observed:

- In the United Kingdom, very strong growth in volumes once again favourably impacted revenue, which grew 22%; development of BtoC, winning sales in key accounts, expansion of Sunday delivery. This growth was accompanied by a slightly negative price and mix effect (increasing share of BtoC and key accounts);
- In France, business continued growing, particularly with the launch of a new Chronopost Fresh offering (delivery of fresh products) in May 2015. Revenue rose +4% for DPD France (formerly Exapaq) and +7% for Chronopost. Developing delivery in pick-up and drop-off points, expanding the Predict offering (a service enabling customers to choose the delivery day and location within a two-hour window) and public outlets (roll out of "Pickup Stations" automated parcel lockers) had a positive impact on Chronopost volumes, specifically those provided to key BtoC accounts, as well as on international volumes. This development was partially offset by a negative price and mix effect. The increase in volumes at DPD France was driven by SME customers.
- Benelux experienced a +12% increase in revenue due to an increase in volumes (particularly on international flows) and despite a slightly lower price/mix effect (-1%).
- Spanish subsidiaries confirmed their rebound and their volumes went up over the first half of 2015 (+10%, in the growth trend registered end-December 2014). Winning several key accounts during the second half of 2014 (particularly in e-commerce) had a positive impact on revenue.
- Germany posted a 6% growth in its revenue compared to the end of June 2014, thanks to initiatives led by DPD Germany since the end of the second half of 2014 to strengthen its positions in the domestic BtoC market (forming partnerships with major players in e-commerce, expanding the German network of pick-up and drop-off points, Saturday delivery, etc.).
- Poland experienced a very satisfying growth in its organic business (+13.5%). Siodemka, which was acquired in the second half of 2014, is now consolidated with DPD Pologne, thus building a leading group in BtoC in the Polish market with high growth potential.
- The Tigers business was up compared to the first half of 2014, with + €4 million (i.e. +4%).

3.3.2 Operating profit

The momentum of GeoPost's activity was supported by rolling out the new brand identity (Reference Player), increasing handling capacities (implementation of new hubs and warehouses) and additional delivery solutions (expansion of the pick-up and drop-off point network, widespread roll out of Predict, development of weekend delivery).

As at end June 2015, GeoPost's operating profit reached €171 million (operating profit including €1 million in share of net profit of companies under joint control), i.e. a €44 million increase compared with 2014. After adjustment for the impact of the €45 million provision made in June 2014 for the French Competition Authority's investigation, operating profit for the first half of 2015 was almost the same as that at end-June 2014, taking into account the cost of various cross-entity projects mentioned above and the effort to reposition Germany more towards the growing toC segment (continuing the implementation of Saturday delivery and reorganising delivery rounds).

3.4 La Banque Postale

This business segment includes La Banque Postale, its subsidiaries, and the Shared Resources unit formed between La Poste and La Banque Postale governed by a cost-sharing agreement. All expenses relating to the Shared Resources unit, which mainly consist of costs of La Poste staff working exclusively for La Banque Postale, are recharged at cost to La Banque Postale.

3.4.1 Economic and financial environment

The half-year was characterised by the initial impacts on inflation of the policy led by the European Central Bank and its key measure, the launch of the programme to repurchase massive amounts of debt (see Section 1.2). Consequently, after a period of contraction, consumer prices increased in Europe in May, with France being part of this trend as well. Under the effects of this policy, in mid-April, the OAT rate reached an all-time low at 0.35% before bouncing back towards an equilibrium at around 1.2% over the end of the half-year. Short-term interest rates continued to drop throughout the half-year, with the EONIA ending the half-year at -0.1% and the 3-month Euribor also falling into slightly negative territory at the end of June.

The Livret A passbook savings account rate was kept at 1% in February.

While the CAC 40 benefited from the drop in yields from the French government's bonds and approached 5,300 points during the first quarter, it came back down to around 4,800 points at end-June.

As indicated as at 31 December 2014, La Banque Postale undergoes a tax audit, which concerns, in particular, compliance with regulations applicable to regulated savings accounts.

3.4.2 Commercial activities

In accordance with the goals in its strategic plan, La Banque Postale is restructuring its sales network to better serve its customers and is implementing its development strategy in the professional customer market. Starting in 2014 with the implementation of a single management, La Banque Postale and La Poste Network continue to develop the banking dimension of the network, particularly through an ambitious programme to develop banking skills (see Section 3.5). Moreover, the first graduated classes of professional customer managers are fully operational at the field level, the goal being to roll out 1,000 advisors by 2020 in order to offer personalised advice to this customer base.

Persistently low interest rates have weighed on La Banque Postale's inflows and have led to customers choosing products that still have attractive returns compared to Livret savings accounts, such as in particular Home Savings Plans. Despite this unfavourable environment, total outstandings rose 1.6% over twelve months to reach €303.5 billion (+€4.7 billion):

| (€ billion) | 6/2015 | 6/2014 | Change | |
|---|--------------|--------------|-------------|--------------|
| | | | (€bn) | (in %) |
| Sight deposits | 52.8 | 49.8 | +3.0 | +5.9% |
| Ordinary savings accounts | 83.1 | 86.0 | -2.9 | -3.3% |
| Livret A passbook savings account | 62.0 | 64.5 | -2.5 | -3.9% |
| Livret d'épargne populaire savings accounts (LEP) | 8.0 | 8.1 | -0.1 | -1.8% |
| Sustainable Development savings accounts (LDD) | 7.3 | 7.4 | -0.0 | -0.6% |
| Other savings accounts | 5.8 | 5.9 | -0.2 | -2.6% |
| Home loan savings | 29.6 | 27.4 | +2.2 | +8.2% |
| UCITS ^(a) | 13.9 | 14.6 | -0.7 | -4.9% |
| Life insurance ^(a) | 123.0 | 120.1 | +2.9 | +2.4% |
| Other ^(b) | 1.2 | 1.0 | +0.2 | +17.0% |
| CUSTOMER SAVINGS ACCOUNTS | 303.5 | 298.9 | +4.7 | +1.6% |

(a) Products distributed by the La Banque Postale network, BPE and EasyBourse (UCIT).

(b) Term deposits and equity savings plans.

Sight deposits outstandings recorded sustained growth at €52.8 billion, up €3.0 billion. Sight deposit outstandings for corporate customers, which were driven by the strategy to gain more market share for this customer base, reached €5.0 billion, up 26% compared to June 2014.

Passbook savings accounts remained severely affected by the weak interest rates offered. As a result, outstandings were down €2.9 billion (-3.3%). Most of the withdrawals were in Livret A passbook savings accounts, with outstandings down -3.9%, in line with the overall market trend.

Led by the Home Savings Plan (PEL), home savings reached €29.6 billion in outstandings as at late June 2015, up €2.2 billion. The appeal of returns on PELs continued, despite the interest served being reduced to 2% at the beginning of the year for new contracts. Accordingly, PEL outstandings rose to €24.7 billion (+12.2%) and offset the outflows recorded in Home Savings Accounts bearing 0.75% interest.

Short-term interest rate levels prejudiced UCITS outstandings over the past twelve months. They totalled €13.9 billion, down €0.7 billion, with a €1.6 billion drop in money market UCITS, whose performance is usually linked to the EONIA.

Life insurance outstandings, at €123.0 billion, were up €2.9 billion for their part (+2.4%), with an increasing share of unit-linked accounts. Over the first half of the year, unit-linked policies reached 15.6% of revenue; a substantial increase compared to the first half of 2014 (10.5%).

La Banque Postale has increasingly helped finance the economy, with outstanding customer loans up sharply by €5.6 billion (+9.1%) to €67.4 billion as at 30 June 2015:

| (€ billion) | 6/2015 | 6/2014 | Change | |
|--|-------------|-------------|-------------|--------------|
| | | | (€bn) | (in %) |
| Home loans | 54.2 | 52.4 | +1.8 | +3.4% |
| Consumer loans | 4.3 | 3.7 | +0.6 | +16.5% |
| Other loans ^(a) | 0.8 | 0.9 | -0.0 | -2.1% |
| Loans to legal entities ^(b) | 8.1 | 4.9 | +3.3 | +66.5% |
| CUSTOMER LOANS^(c) | 67.4 | 61.8 | +5.6 | +9.1% |

(a) Overdrawn sight deposits and amounts owed on bank cards.

(b) Companies, social housing associations and regional authorities.

In a market driven by redemption requests and renegotiations due to all-time low interest rates, La Banque Postale's outstanding home loans have continued to increase to €54.2 billion (+3.4%). More than €5.5 billion in loans were granted during the first half of the year, a 44% increase compared to 2014. Buybacks accounted for nearly one third of production.

Consumer credit activity, under La Banque Postale Financement (a subsidiary 65%-held by La Banque Postale and 35%-held by Société Générale) since 2010, continued to post sustained growth, with outstandings up 16.5% to €4.3 billion at 30 June 2015.

La Banque Postale has also financed companies in the local public sector since 2012. This activity has grown rapidly and has already reached €8.1 billion in outstandings as at the end of the first half of 2015 (+66.5% year over year). The increase recorded was achieved despite the scheduled disposal of outstandings to Caisse Française de Financement Local (French local financing fund) (€2.5 billion over the past twelve months), in accordance with the model implemented when La Banque Postale entered the local public sector market. New loans to legal entities amounted to €5.5 billion over the first half of the year, i.e. +84% compared to 2014. La Banque Postale has continued its commercial development in this customer segment with the signing of partnership agreements with Bpifrance in February. These agreements enable La Banque Postale to supplement its offering to the professional customer market and to SMEs.

3.4.3 Operating performance

| (€ million) | 6/2015 | 6/2014 | Change | |
|----------------------------------|--------------|------------------|---------------------|--------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Asset management | 90 | 76 | +15 | +19.5% |
| Insurance ^(a) | 92 | 93 | -1 | -0.6% |
| Retail banking | 2,746 | 2,678 | +68 | +2.5% |
| <i>Net interest margin</i> | 1,694 | 1,725 | -31 | -1.8% |
| <i>Commissions</i> | 1,112 | 1,022 | +90 | +8.8% |
| <i>Other income and expenses</i> | -60 | -69 | +9 | -13.2% |
| NET BANKING INCOME | 2,929 | 2,847 | +82 | +2.9% |

(a) Impact from reclassifying unpaid insurance premiums in 2015 to NBI.

La Banque Postale's Net Banking Income (NBI) totalled €2,929 million in 2015, up 2.9% (+€82 million) fuelled by strong commercial momentum and despite an environment with disadvantageous interest rates. It increased 3.9% after adjustment for the change in the home-savings provision and for the scope effect related to the integration of Sofiap in May 2014.

Reaching €90million, NBI in the Asset Management division continued to grow at a rapid pace (+19.5%), fuelled by momentum in discretionary asset management and substantial portfolio turnover at the beginning of the year to be aligned with the revaluation of equity markets over this period. The partnership concluded between LBP Asset Management and Aegon Asset Management, and the merger with Fédérés Asset Management, will help build even more momentum in the business's results by developing LBPAM's expertise and offering (see Section 1.4.3.2). LBPAM is already the fifth largest investment management company in Paris and manages €150 billion in assets at end-June 2015.

At €92 million, the Insurance division's NBI recorded a 0.6% decline compared to 2014, following a reclassification of LBP IARD and LBP Assurance Santé's unpaid insurance premiums to NBI, which was previously classified as cost of risk. Adjusted for this impact, NBI rose 4.7%, under the effect of solid sales performances for property and casualty insurance, health insurance and personal risk. The subsidiaries' insurance portfolios thus continued to develop, with particular rapid portfolio growth for LBP IARD and LBP Assurance Santé (+25% and +33% in twelve months, respectively). The division offers a comprehensive range of insurance products for private individuals and expanded its offering to professional customers with the launch of the group health insurance offering on 2 April 2015, in partnership with Mutuelle Générale and Malakoff Médéric (see Section 1.4.3.1).

After adjustment for the home-savings provision and scope effect associated with the integration of Sofiap, NBI for Retail Banking grew 3.7% (+€99 million). With an increase of €88 million compared to 2014 (+8.6%), commissions grew their contribution to NBI, driven by the strategy to equip customers with packages and insurance products (for which Retail Banking earns commissions). However, it should be noted that anticipated prepayment indemnities also helped this growth. Net interest margin was stable compared to 2014.

| | 6/2015 | 6/2014 | Change | |
|---|--------------|------------------|---------------------|-----------------|
| (€ million) | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Net banking income (NBI) ^(a) | 2,929 | 2,847 | +82 | +2.9% |
| Management expenses | -2,386 | -2,336 | -50 | +2.1% |
| Gross operating profit | 543 | 511 | +32 | +6.3% |
| Cost of risk ^(a) | -73 | -72 | -2 | +2.1% |
| Gains and losses on other assets | -1 | 0 | -1 | n.s. |
| OPERATING PROFIT | 468 | 439 | +30 | +6.8% |
| <i>Operating ratio</i> | <i>81.5%</i> | <i>82.4%</i> | | <i>-0.9 pts</i> |

(a) Impact from reclassifying unpaid insurance premiums in 2015 from cost of risk to NBI.

La Banque Postale's management expenses rose 2.1% to €2,386 million, under the effect of the development of subsidiaries and the launch of major projects. La Banque Postale is investing in transforming its information system in order to support its commercial development and improve its operational efficiency. This vast programme is implemented among other things through Cap Client 3.0 (rebuilding distribution) and Concerto projects (updating the banking platform). Costs invoiced by the Shared Resources unit (personnel expenses for Financial Services and the Banking Advisory Line) as well as by La Poste Network for the counter agreement were reduced altogether by €17 million, reflecting the Group's cost control efforts.

Gross operating profit totalled €543 million, up €32 million compared to 2014 (+6.3%). This increase is even more pronounced when restated for scope and changes to the home-savings provision, at €70 million (+13.0%).

The operating ratio continued to improve to 81.5% at 30 June 2015 (82.4% at end-June 2014).

Cost of risk, at €73 million, recorded a €2 million increase, and a €4 million increase when adjusted for the change in classification of unpaid insurance premiums and scope effect. This increase is due to the integration of new parameters strengthening risk coverage for home loans and consumer credit in July 2014. The cost of credit risk, compared to outstandings, remained at a low 19 basis points.

Operating profit for the La Banque Postale business unit thus amounted to €468 million in 2015, up 6.8% (+€30 million).

3.4.4 Financial structure

La Banque Postale has a solid financial structure with a Common Equity Tier 1⁹ ratio reaching 13.1%, versus 12.7% as at 31 December 2014 and an overall solvency ratio of 17.2%, versus 17.0%. The leverage ratio at end-June 2015 was 5.3%¹⁰.

The liquidity position remains very comfortable with a loans-to-deposits ratio at 74% and a LCR ratio (estimated short-term liquidity ratio) at 176%.

⁹ CET1 ratio with application of interim measures. The fully loaded CET1 ratio was 13.9%.

¹⁰ Leverage ratio with application of the delegated act of October 2014 regarding savings centralised at CDC, subject to ECB authorization. Excluding the delegated act, the ratio is estimated at 3.4%.

3.5 La Poste Network

The La Poste Network business unit combines sales and delivery activities to retail customers of Le Groupe La Poste products and services as well as the La Poste Telecom subsidiary (corresponding to the line share of net profit/(loss) of companies under joint control) distributing its offer under the "La Poste Mobile" brand.

| (€ million) | 6/2015 | 6/2014 | Change | |
|---|------------|------------------|---------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Revenue | 2,049 | 2,088 | -39 | -1.9% |
| Operating expenses | -2,084 | -2,110 | +26 | -1.2% |
| Operating profit before share of net profit of companies under joint control | -35 | -22 | -13 | +58.5% |
| Share of net profit of companies under joint control | -2 | -3 | +1 | -35.5% |
| OPERATING PROFIT AFTER SHARE OF NET PROFIT OF COMPANIES UNDER JOINT CONTROL | -37 | -25 | -12 | +47.1% |

Internal revenue represents the invoicing of services performed by La Poste Network on behalf of other business units. It is governed by service agreements:

- Service agreements based on operating indicators (e.g. revenue, number of items handled) with the Services-Mail-Parcels business unit and the GeoPost business unit (Chronopost);
- For La Banque Postale, service agreements based on transactions handled at the counters and charged based on actual costs for the banking advisory line integrated into the Network (e.g. financial advisors, specialised real estate advisors, etc.);
- Transfer of costs related to the Universal Postal Service and regional planning and development missions, and transitional expenses (including retirement schemes) to the 'Unallocated' segment.

3.5.1 La Poste Network

With its 17,107 public outlets in France, 7,650 of which are partnerships (local postal agencies and Relais Poste outlets) at 30 June 2015, the La Poste Network is the densest physical distribution network in the country. Faced with a continued decline in mail volumes and customer visits to post offices, which fell in 10 years from 2.7 million visits per day to 1.7 million currently, La Poste Network must rethink its role and its presence in order to reposition itself in places and lifestyles fulfilling customer needs and must make itself more attractive. Several projects undertaken in 2014 continued throughout the first half of 2015, based on the following areas:

- Speeding up commercial development, based on excellent service and La Poste Network's ability to meet customers' needs:
 - ✓ Simplifying customer pathways in post offices, in keeping with efforts to reduce the number of mail-parcel product references.
 - ✓ Embarking counter clerks in the banking dynamic, enabling customers to quickly access simple banking products (bank cards, insurance offers for mobile devices, etc.);

- ✓ Implementing in 2015, in the 500 market areas created in 2014, a common sales objective shared among the Services-Mail-Parcels and Network business units, regardless of the sales channel used by the customer (post offices, mail facilities, telesales and internet), enabling synergies between sales players to create shared knowledge of customers so as to increase customer satisfaction.
- Continuing to increase accountability and decentralising field managers' decision-making power as part of the MCU (Single Commercial Management) project rolled out in 2014, which was finalised by transferring commercial banking staff and their entire managerial line to the Network. As a result, a new local managerial structure will be gradually implemented, to be:
 - ✓ More concentrated (reduction of the number of sectors, with a sector grouping together several retail outlets), while remaining consistent with the principle of proximity with the customer and with employees;
 - ✓ Differentiated, to take into account the size and specific features of the retail outlets included in each sector;
 - ✓ Strengthened, in order to relieve sector Directors of daily operating tasks, in favour of a management that builds a network of excellence and commercial development with a priority on banking.

This project, which is currently being tested over the first half of the year, is expected to be rolled out during the second half to enter its operational implementation phase on 1 January 2016.

- Development of Digital Services: digital services have been present in post offices for several years via automated machines that offer customers the ability to perform simple transactions directly (purchasing stamps, postage, registered mail, ship parcels, etc.). Continuing the roll out of touch screen Smartéo terminals for counter clerks, which began at the end of 2014, facilitates commercial relations by being able to rapidly access different services and IT applications (approximately one hundred offices equipped with around 250 Smartéo terminals as at 30 June). The Network also offers 3D printing and advice in five post offices as well as the possibility for parcels ordered on the internet and delivered to Pick-up lockers to be picked-up at the front of the post office using an access code that the customer receives directly via SMS (22 offices equipped at end-June).
- More accessibility and layouts adapted to customer uses: beyond digital services, the Network of tomorrow is adapting to the French people's new lifestyles - lifestyles that vary from one region to another:
 - ✓ In rural areas, several new forms of resource sharing are going to be rolled out, such as welcoming public service areas into post offices (reception, information and orientation facilities for public service users), or the postman-counter clerk with the Services-Mail-Parcels business unit, which enables La Poste to maintain its presence in small villages where post offices are visited very infrequently;
 - ✓ In urban areas, a new approach is being put in place in conjunction with the municipalities in order to better understand city projects and work with their players. The process is currently being introduced in major regional cities, and projects are in progress with large national retailers. New public outlets called 'La Poste Relais' have already been opened in this perspective (Franprix in the 16th arrondissement of Paris, concierge services and business incubator in Bordeaux, etc.); additional retail outlets can be created in very high-

traffic areas with the goal being to improve accessibility of Le Groupe La Poste's product offerings for customers.

149 new partnerships were created during the first half of the year.

- Controlling costs of this commercial network, whose use by the Group's business units is charged back to them. Thanks to action plans rolled out, the Network's operating costs are down over the first half of 2015 compared to the previous year (-1.2%).

3.5.2 La Poste Mobile

La Poste Telecom, the Group's virtual mobile network operator, held in 51% partnership with SFR, which holds the remaining 49%, offers its products and services under the "La Poste Mobile" brand.

The subsidiary is continuing its development, and thanks to the sale of 297,000 new lines during the first half of the year, after four years of existence, has a portfolio of nearly 1.2 million lines at 30 June 2015, up 3.8% over the half-year.

La Poste Mobile also sold 18,500 ADSL subscriptions during the first half of the year as part of its 'Quatro' offer (TV, internet, fixed telephone and mobile) in partnership with SFR (45,000 boxes sold in 2014).

La Poste Mobile's keys to success are the ongoing adaptation of offers to customers' needs (unlimited plans, 4G, quadruple play offer, international, etc.) while keeping the product ranges simple and affordable for as many people as possible, the extended presence of the La Poste Network, the number of its sellers and the values of trust that the Group represents.

3.6 Digital Services business unit

The Digital Services business unit, created during the first half of 2014 as part of the implementation of the Group's new organisation (and whose scope was defined during the second half of 2014, see Section 3.1), carries out three complementary missions:

- Revenue development mission: the Digital Services business unit produces and markets digital offers, solutions and services in the area of digital transformation, digital marketing and digital trust, in addition to classic desktop publishing and filing products, through its Docapost and Mediapost Communication subsidiaries. In addition, the Digital Services business unit is responsible for managing the laposte.fr website as well as developing online sales made through this channel. This online sales figure is recognised directly in the business units (mainly the Services-Mail-Parcels business unit); however, since 1 January 2015, the Digital Services business unit receives a commission for its sales initiatives;
- "Laboratory" mission: through several programmes, such as start-up incubation, the Digital Services business unit is responsible for detecting, developing and industrialising digital innovation to serve the Group;
- Mission to provide services to the other business units in the Group: for example, implementing of a corporate social network or putting in place training to adjust to the new digital culture. The Digital Services business unit is also in charge of the Group data policy.

Lastly, it is the head of the high-priority shared project¹¹ "knowledge of individual customers", intended to consolidate the Group's different individual customer databases.

| (€ million) | 6/2015 | 6/2014 | Change | |
|--------------------------------------|--------------|------------------|---------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Revenue | 278 | 265 | +13 | +4.9% |
| <i>Of which intercompany revenue</i> | 234 | 243 | -9 | -3.5% |
| Operating expenses | -287 | -278 | -9.0 | +3.2% |
| OPERATING PROFIT | -9 | -13 | 4 | -29.7% |
| <i>As a % of revenue</i> | <i>-3.4%</i> | <i>-5.0%</i> | | <i>1.7 pt</i> |

3.6.1 Revenue

Revenue for the first half of 2015, at €278 million, was up €13 million compared to 2014 (i.e. +4.9%):

- The parent company delivered €22 million in revenue, up €21 million, driven by the implementation of online sales commissions on laposte.fr starting on 1 January 2015 as well as associated ad revenue. Note that as at the end of June 2015, online revenue was up 20% compared to 2014. Starting in 2015, the Digital Services business unit also started recognising the invoicing of internal services to other Group entities (including the cost of the Group's innovation policy).
- The Docapost division continued to transform its core business to take part in the digital transformation from this point forward:
 - ✓ Economic (or business) sectors: Health care, Administration, Middle market (VSEs and SMEs throughout their entire value chain);
 - ✓ Core functions that companies still internalise: HR, Finance, Purchasing and Customer relations.

Docapost offers them various services such as creating digital platforms, digitisation and desktop publishing, securing electronic transactions, e-payment solutions, etc.

Docapost's revenue, which totalled €209 million in late June 2015, posted a €5 million decrease, i.e. -3%. It experienced positive commercial momentum in high-growth segments such as IT platforms for regulated professions, internal voting management and digitisation in Spain. Nevertheless, this growth was not enough to offset the foreseen decline of "traditional" activities, such as check handling, as well as the loss of a large customer at the end of 2014 in the area of customer relations management.

- Mediapost Communication's revenue, €47 million, was down €2 million (-5%) over the first half of 2015. Despite the continued growth in sales of the marketing campaign management platform and customer knowledge in high-growth markets, the division's activity notably suffered from the decrease in addressed mail and advertising material volumes.

¹¹ As part of its new strategic plan, in April 2014, the Group defined five high-priority shared projects aiming to expand into new areas from now through 2020.

3.6.2 Operating profit

The increase in operating expenses includes non-recurring costs associated with litigation as well as enhancement of certain cross-entity projects. Despite this backdrop, the Digital Services business unit's consolidated operating loss of €9 million delivered a slightly better result than that of the first half of 2014 (i.e. +€4 million).

3.7 Other Segments

3.7.1 Real estate

The Real Estate segment includes the Poste Immo subsidiary and the Real Estate Department of the La Poste parent company.

| (€ million) | 6/2015 | 6/2014 | Change | |
|---|-------------|------------------|---------------------|----------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Revenue | 414 | 420 | -6 | -1.5% |
| <i>Of which intercompany revenue</i> | 4 | 3 | +1 | +27.8% |
| Current operating expenses | -412 | -414 | +2 | -0.4% |
| Gains (Losses) on disposal | 1 | 8 | -6 | -83.2% |
| Operating profit before share of net profit of companies under joint control | 3 | 14 | -11 | -80.0% |
| <i>Operating margin</i> | <i>0.7%</i> | <i>3.3%</i> | | <i>-2.6 pt</i> |
| Share of net profit of companies under joint control | 1 | 3 | -2 | -52.6% |
| OPERATING PROFIT AFTER SHARE OF NET PROFIT OF COMPANIES UNDER JOINT CONTROL | 4 | 17 | -13 | -75.2% |

Real Estate's revenue totalled €414 million at 30 June 2015, down -€6 million, i.e. -1.5% compared to 2014: the decline in intercompany billing (-€7 million) was partly compensated by the increase in billing to the Group's external customers (+€1 million).

The decrease in internal billing was mainly related to a reduction in rents invoiced to the business units (reduction in surface area), combined with a smaller rise in additional rents (invoicing over several years of the amortisation related to improving business premises).

The Real Estate division has continued to develop external revenue, reflecting that it has made new surface areas available and has provided additional services to customers outside the Group. In 2015, Poste Immo extended the roll out of development operations to better meet the business units' diversification and external co-development needs, to enhance the value of its portfolio, to absorb vacancies and to help generate medium-term cash and revenue for the Group.

The Real Estate division's expenses are controlled, thanks to a decrease in expenses on surface areas that it owns, and to using fewer leases outside the Group, associated with the policy to reduce the surface areas used by the business units. These trends reflect the Real Estate division's contribution to helping the Group control costs.

Gains on disposals fell significantly, due to major disposals carried out during the first half of 2014, including, in particular, the Lyon Hôtel des Postes, the Place de Clichy post office and the Main Poste Office of Saint-Ouen sites.

Operating profit was down €13 million compared to 2014, after including the share of net profit of companies under joint control for €4 million.

3.7.2 Support and Structures

The Support and Structures segment includes the Support Departments (mainly IT, Vehicle Fleet Management and Supplies) that re-invoice the Group's other business lines for costs incurred and the Group's headquarters costs.

| (€ million) | 6/2015 | 6/2014 | Change | |
|-------------------------|-------------|------------------|---------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Operating revenue | 332 | 330 | +2 | +0.7% |
| Operating expenses | -491 | -441 | -51 | +11.5% |
| OPERATING PROFIT | -159 | -111 | -48 | +43.6% |

Operating revenue was €332 million in June 2015, including:

- €310 million for intercompany revenue resulting from invoicing for services provided to other business lines by Support and the "billing" service centres of the headquarters. Unit prices are established prior to commencing work in a service agreement and amounts charged are based on actual volumes;
- €22 million in Group headquarters costs paid by subsidiaries (management fees).

Invoices increased 0.7%. This increase was associated with an accounting reclassification of internal expenses considered as disbursements (classified as lower expenses), which are now re-invoiced in revenue. Adjusted for this effect, revenue was down €16 million, reflecting these entities' contribution in helping the Group control costs.

Excluding the accounting reclassification and despite the drop in expenses, particularly related to productivity gains, operating expenses rose €33 million at 30 June, taking into account non-recurring costs whose provisions were generated from the accounting treatment of the project to relocate registered offices.

3.7.3 Unallocated expenses

| (€ million) | 6/2015 | 6/2014 | Change | |
|--------------------------------------|-------------|------------------|---------------------|--------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (€m) | (in %) |
| Net cost of regional postal presence | -287 | -297 | +10 | -3.4% |
| Other operating expenses | -43 | -17 | -26 | n.s. |
| OPERATING PROFIT | -331 | -314 | -16 | -5.2% |

The Unallocated segment includes the costs of the Universal Postal Service accessibility mission, the costs of the regional planning mission, the corresponding local tax allowance and, lastly, the transitional costs associated with retirement schemes that are considered as cross-entities Group

costs and which are therefore not allocated to the business units.

The increase in other expenses in 2015 primarily corresponds to more important participation in early-retirement schemes than at end-June 2014.

4. Other key aggregates of the income statement

4.1 Financial profit/(loss)

| (€ million) | 6/2015 | 6/2014 | Change | |
|---|------------|------------------|-----------------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> (€m) | (in %) |
| Net interest expense | -75 | -76 | +2 | -2.2% |
| Change in 'fair value' including debt credit spread | 11 | -8 | +20 | n.s. |
| Cost of net financial debt | -63 | -85 | +21 | -25.1% |
| Other financial items | -11 | -18 | +7 | -38.3% |
| FINANCIAL PROFIT/(LOSS) | -74 | -102 | +28 | -27.4% |

Financial profit/(loss) improved €28 million over the first half of 2015 compared to 2014 and reached - €74 million.

The decrease in La Poste's estimated average cost of debt over four years (2.75% versus 2.93% at end-June 2014), combined with a slight decrease in average gross debt for the first half of 2015 compared to the first half of 2014, helped reduce net interest expense by €2 million compared with 2014. The decrease in average gross debt came from the repayment of the CHF (Swiss franc) bond issue amounting to the equivalent of €151 million in July 2014 (full effect over the first half of 2015), partially offset by the issue of a €500 million bond on 26 May 2015 (impact of less than one month on the average financing cost in the first half of 2015).

The change in fair value of debt and derivatives, corresponding to income of €11 million over the half-year, generated a favourable spread of €20 million compared with 2014. The change in fair value of derivatives was +€9 million (rate-refixing swaps being expired or approaching their due date), whereas the modest widening of La Poste's spread led to income of €2 million.

Other financial profit/(loss) items (-€11 million in 2015), which improved by €7 million from 2014, mainly correspond to the cost of discounting social debt expenses (€12 million in 2015, down €8 million compared to 2014).

4.2 Net profit Group share

| | 6/2015 | 6/2014 | Change | |
|--|----------------|------------------|-----------------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> (€m) | (in %) |
| <i>(€ million)</i> | | | | |
| Operating revenue | 11,459 | 10,965 | +494 | +4.5% |
| Operating expenses | -10,844 | -10,542 | -302 | +2.9% |
| Operating profit | 615 | 423 | +191 | +45.2% |
| Share of net profit of companies under joint control | 1 | 4 | -2 | -58.0% |
| Operating profit after share of net profit of companies under joint control | 616 | 427 | +189 | +44.3% |
| Financial profit/(loss) | -74 | -102 | +28 | -27.4% |
| Profit before tax | 542 | 324 | +217 | +67.0% |
| Income tax | -217 | -103 | -113 | n.s. |
| Share of profit of equity associates | 113 | 115 | -2 | -1.7% |
| CONSOLIDATED NET PROFIT | 438 | 336 | +102 | +30.3% |
| Net profit Group share | 424 | 322 | +102 | +31.7% |
| Non-controlling interests | 14 | 14 | +0 | +0.5% |

Net profit Group share was €424 million at end-June 2015. It was up €102 million compared to the first half of 2014. This increase was mainly driven by operating profit after share of net profit of companies under joint control which was up €189 million (see Section 3 – Operating results by business segment).

Profit before tax rose €217 million to €542 million, after taking into account the €28 million improvement in financial profit (see Section 4.1 – Financial profit).

Group tax expense, at €217 million, was up €113 million, of which €46 million from current tax expense and €67 million from deferred tax expense (see Note 10 Income taxes in the Group's consolidated financial statements).

The share of profit of equity associates totalled €113 million at end-June 2015. It was stable (€2 million compared to June 2014) and includes primarily the contribution of CNP Assurances, in which the Group holds a 20.15% stake.

5. Debt and financial strength

The tables below are set out so as to present both the banking activities and the industrial and commercial activities within the same group while providing a more economic view of their respective contribution to Group cash flow.

As Group parent company, La Poste provides funding for industrial and commercial activities and equity for La Banque Postale. Provided it meets minimum regulatory equity requirements, La Banque Postale, although fully consolidated, is taken into account through the dividends it distributes to its parent company, which are treated as Group cash flows.

Consequently, Group net debt does not directly take into account La Banque Postale, for which this concept is not relevant. Group net debt thus varies largely according to the following:

- The ability of the industrial and commercial activities to generate surplus free cash flows (EBITDA, changes in working capital, capital expenditure and potential external growth);
- Dividends paid by La Banque Postale to La Poste (including coupons for AT1 hybrid securities) or from equity accounted entities and, in return, potential capital increases in these entities;
- Tax charge applying to the tax consolidation group set up between La Poste and its subsidiaries;
- La Poste's cost of capital employed, based on interest paid on net debt and dividends paid out to its shareholders.

5.1 Changes in net debt

5.1.1 Cash flows from operating activities

Cash flows from operating activities were up €287 million at end-June 2015:

| (€ million) | 6/2015 | 6/2014 | Change | |
|---|------------|------------------|---------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | <i>(in %)</i> |
| EBITDA (excluding La Banque Postale) | 629 | 431 | +198 | +45.8% |
| Dividends received from LBP and equity associates | 335 | 265 | +70 | +26.6% |
| Change in working capital requirement | -117 | -143 | +25 | -17.7% |
| CICE for the period | -171 | -178 | +7 | -4.0% |
| Taxes paid | 222 | 249 | -27 | -10.7% |
| Other cash flows from operating activities | 5 | -8 | +13 | n.s. |
| CASH FLOWS FROM OPERATING ACTIVITIES | 903 | 616 | +287 | +46.5% |

EBITDA excluding Banking improved €198 million at the end of June 2015. This increase was primarily associated with the Services-Mail-Parcels business unit, which rose €170 million over the period, fuelled, in particular, by the price increase and tight control of its operating expenses, including La Poste Network expenses.

Dividends received from La Banque Postale and from equity associates rose by €70 million overall, €44 million of which came from dividends received from La Banque Postale and €30 million received from real estate development companies that are equity associates of Poste Immo.

Working capital deteriorated temporarily during the first half of the year, notably following changes in tax and employee-related payables. Cash held at the post offices, which had a €115 million favourable impact on the first half of 2014, was brought to La Banque Postale for the amount of €633 million during the second half of 2014 and had no other impact on 2015 cash flows.

Tax flows of €222 million paid at end-June 2015 corresponded to:

- €16 million in taxes, made up of an overall disbursement of €131 million for the 2014 liquidation and 2015 prepayments, partially offset by €115 million received from La Banque Postale as part of the tax consolidation regime;
- the CICE credited against taxes, which generated a positive flow of €238 million, €153 million of which was credited against the 2014 corporate tax payment and €75 million credited against the 2015 corporate tax prepayments in accordance with the tax administration's interpretation of the relevant rules¹².

¹² BOI-BIC-RICI-10-150-30-10-20150204 no. 10, published on 4/2/2015 : " *Comment: In terms of corporate taxes, receivables that have not been credited against the tax balance in their entirety can be credited against corporate tax prepayments for the following year*"

5.1.2 Cash flow from investing activities excluding La Banque Postale

Net outflows for non-banking investments amounted to €370 million at the end of June 2015, i.e. use of cash and cash equivalents of €22 million more than in June 2014 due to larger external growth transactions.

| (€ million) | 6/2015 | 6/2014 | Change | |
|--|-------------|------------------|-----------------------------|--------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> (€m) | (in %) |
| Purchases of intangible assets and property, plant and equipment | -312 | -393 | +81 | -20.5% |
| Purchases of financial assets | -8 | -4 | -4 | +93.9% |
| Asset disposals | 37 | 55 | -19 | -33.4% |
| Subsidiary acquisitions, less cash acquired | -86 | -7 | -79 | n.s. |
| Subsidiary disposals, less any disposals of cash | -1 | 1 | -2 | n.s. |
| CASH FLOW FROM INVESTING ACTIVITIES EXCLUDING LBP | -370 | -348 | -22 | +6.3% |

5.1.2.1 Purchase of intangible assets and property, plant and equipment

Purchases of intangible assets and property, plant and equipment broken down by segment is shown below:

| (€ million) | 6/2015 | 6/2014 | Change | |
|--|-------------|------------------|-----------------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> (€m) | (in %) |
| Services-Mail-Parcels | -85 | -87 | +2 | -2.6% |
| GeoPost | -46 | -97 | +51 | -53.0% |
| La Poste Network | -14 | -24 | +10 | -42.8% |
| Digital Services | -21 | -16 | -5 | +33.1% |
| Real estate | -90 | -103 | +13 | -12.9% |
| Support & Other | -58 | -67 | +9 | -13.3% |
| Purchase of intangible assets and property, plant and equipment | -312 | -393 | +81 | -20.5% |

Purchases of property, plant and equipment are down €81 million compared to June 2014. The Group's cost control efforts, the Real Estate division's reduction in investments (€13 million) and a targeted investment policy for the Network (€10 million) and for the Support segment (€9 million), as well as the delay in some of GeoPost's investments to the second half of the year (€51 million)

easily offset the €5 million increase in the Digital Service business unit's investments. More specifically, trends for each of the Group's segments are as follows:

- The Services-Mail-Parcels business unit recorded a €2 million decline, to €85 million, with:
 - ✓ Parent company mail: €60 million over the first half of 2015, stable compared with June 2014. Acquisitions are still primarily dedicated to the information system; therefore, intangible assets account for nearly two thirds of investments for this half of the year. Internal IT developments, which represent a large portion of these investments, aim to optimise logistics (maintenance and transportation), improve tracking for items, parcels and customer service and support the development of new postmen services;
 - ✓ Parcels: €11 million, a €4 million decrease. This decline was particularly driven by a delay on IT projects and on the plan to update the infrastructure network in Île-de-France, waiting to finalise the synergy plan with mail;
 - ✓ Mail subsidiaries: €14 million, up €2 million compared to 2014, essentially from IT project developments after winning new customers and updating the layout of sites.
- GeoPost: €46 million, with a €51 million drop, related among other things to the end of a major investment cycle undertaken in the UK in 2014, corresponding to the creation of a new hub in Birmingham and to a project schedule that differed from 2014 (substantial investments, particularly in Belgium, planned for the second half of the year);
- Network: down €10 million, mainly driven by operating investments and post office maintenance;
- Digital Services: €21 million, up €5 million compared to June 2014, including €3 million to the parent company partly related to developing the La Poste website and €2 million at Docapost, which pertained to building the digital hub as well as developments on behalf of its customers, in particular as part of its IT platform development business;
- Real estate: down €13 million, mainly from the change in non-current asset suppliers (a €14 million decrease compared to June 2014);
- Support & other: down €9 million, particularly related to delays in delivering new vehicles, which occurred during the first half of the year.

Purchases of intangible assets and property, plant and equipment broken down by business unit are presented including changes in non-current asset suppliers and correspond to a cash outflow. Finance leases are not taken into account in this table, in accordance with IAS 7.

5.1.2.2 **Purchases of financial assets**

Purchases of financial assets (guarantee deposits and equity investments) do not include the "Cash investments of more than three months" (€616 million and €563 million respectively, at end-June 2015 and at end-December 2014) mostly considered as backing for bonds, and fall under the Group's day-to-day cash management policy. The latter is presented as a deduction from net debt¹³.

At end-June 2015, purchases of financial assets totalled €8 million. They were down €4 million compared to end-June 2014.

¹³ Group net debt excludes La Banque Postale, for which this is not relevant.

5.1.2.3 Acquisitions and external growth

Acquisitions as at late June 2015, less any deductions of cash and cash equivalents acquired amounted to €86 million. They were primarily made by GeoPost (€85 million), which notably acquired DPD Systemlogistik (consolidated into DPD Germany) for €58 million, as well as a new company in Australia (Worldlink) for €6 million, a British Freight Forwarder (Signet) for €10 million and it purchased a 22% stake in the company Stuart, a player in the Same Day delivery market, for €10 million.

5.1.2.4 Asset disposals

Asset disposals, at €37 million, were down €19 million from the first half of 2014. Asset disposals include, in particular, sales of Group vehicles (€6 million) and disposals of buildings from La Poste's real estate portfolio (€23 million).

5.1.3 Change in net debt

Group net debt fell €292 million compared with pro forma 2014 debt levels, dropping from €4,005 million to €3,713 million.

In addition to a positive free cash flow of €532 million, up €264 million versus June 2014, in 2015, the Group paid €171 million in dividends to shareholders for 2014 results and paid €24 million in net financial interests, €3 million less than in 2014.

Free cash flows at end-June 2015 totalled €337 million. It was €268 million higher than the 2014 net free cash flows.

| | 6/2015 | 6/2014 <i>pro forma</i> | Change | |
|---|------------|----------------------------|-----------------------------|---------------|
| | | | <i>vs pro forma</i> (€m) | (in %) |
| <i>(€ million)</i> | | | | |
| Cash flows from operating activities | 903 | 616 | +287 | +46.5% |
| Cash flows from investing activities | -370 | -348 | -22 | +6.3% |
| Free cash flows | 532 | 268 | +264 | +98.7% |
| Dividends paid | -171 | -171 | +0 | -0.0% |
| Net interest paid | -24 | -28 | +3 | -11.9% |
| Net free cash flows | 337 | 69 | +268 | n.s. |
| Capital Increase | 0 | 0 | -0 | -78.7% |
| Impact of changes in scope on gross debt | 2 | -1 | +3 | n.s. |
| Purchase of non-controlling interests | -5 | 0 | -5 | - |
| Unrealised gains and losses relating to changes in fair value | 10 | -9 | +19 | n.s. |
| Increase in finance lease liabilities | -4 | -2 | -1 | +56.0% |
| Change in accrued interest not yet due on financial instruments | -49 | -48 | -1 | +1.4% |
| Other items | 1 | 2 | -1 | -30.5% |
| CHANGE IN NET DEBT (*) | 292 | 10 | +282 | n.s. |

(*): "-" : increase / "+" decrease

5.2 Change in cash and cash equivalents

Le Groupe La Poste's cash and cash equivalents rose from €1,389 million at the end of 2014 pro forma, to €1,962 million at the end of June 2015, i.e. a €572 million increase, which is mainly explained by:

- Positive net free cash flows of €337 million;
- Increase in cash and cash equivalents originating from debt of €343 million, including primarily:
 - ✓ a €500 million issue of a 10-year bond with an interest rate of 1.125%, invested in UCITS;
 - ✓ -€135 million from the decrease in outstanding commercial paper (€150 million in outstandings at end-June 2015).
- A -€39 million change in financial assets used in cash management primarily from:
 - ✓ €150 million in negotiable debt securities maturing;
 - ✓ Investments in bonds and negotiable debt securities for €200 million.
- -€51 million for intercompany cash outflows with La Banque Postale, including:
 - ✓ A net investment of €31 million in the form of an interest-bearing account with La Banque Postale;
 - ✓ A €23 million decline of the debt to La Banque Postale under the overall intercompany "payables/receivables" position.

| | 6/2015 | 6/2014 | Change | |
|--|--------------|------------------|---------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| <i>(€ million)</i> | | | <i>(€m)</i> | <i>(in %)</i> |
| Net free cash flows | 337 | 69 | +268 | n.s. |
| Capital Increase | 0 | 0 | -0 | -78.7% |
| Change in cash flows from financing activities | 343 | -161 | +504 | n.s. |
| Change in financial assets used in cash management | -39 | -17 | -22 | n.s. |
| Other cash flows from financing activities | -18 | 149 | -168 | n.s. |
| Intercompany cash flows | -51 | 81 | -132 | n.s. |
| Other items | 0 | 2 | -1 | -72.2% |
| Change in cash and cash equivalents | 572 | 123 | +450 | n.s. |
| Opening cash and cash equivalents | 1,389 | 2,104 | -714 | -34.0% |
| CLOSING CASH AND CASH EQUIVALENTS | 1,962 | 2,227 | -265 | -11.9% |

5.3 Breakdown of financial debt

5.3.1 Gross debt

The Group's gross debt rose €290 million during the first half of 2015. It is now €7,295 million.

Breakdown of the Group's gross debt at end-June 2015 and at end-December 2014 is provided below:

| (€ million) | 6/2015 | 12/2014 | Change | |
|---|--------------|------------------|-----------------------------|---------------|
| | | <i>pro forma</i> | <i>vs pro forma</i> (€m) | (in %) |
| Bonds | 6,454 | 5,995 | +460 | +7.7% |
| Short-term bonds | 510 | 0 | +510 | - |
| Medium- and long-term bonds | 5,944 | 5,995 | -51 | -0.8% |
| La Poste savings bonds | 60 | 61 | -1 | -1.6% |
| Short-term La Poste bonds | 60 | 61 | -1 | -1.6% |
| Medium and Long-term La Poste bonds | 0 | 0 | +0 | - |
| Commercial paper | 150 | 285 | -135 | -47.4% |
| Short-term commercial paper | 150 | 285 | -135 | -47.4% |
| Medium and Long-term commercial paper | 0 | 0 | +0 | - |
| Deposits and guarantees received | 357 | 379 | -23 | -5.9% |
| Short-term deposits and guarantees received | 331 | 353 | -23 | -6.4% |
| Medium and Long-term deposits and guarantees received | 26 | 26 | +0 | +0.5% |
| Accrued interest | 161 | 128 | +33 | +25.5% |
| Accrued interest | 161 | 128 | +33 | +25.5% |
| Other | 113 | 157 | -43 | -27.7% |
| Other short-term | 54 | 58 | -4 | -6.7% |
| Other Medium and Long-term | 60 | 99 | -40 | -39.9% |
| GROSS DEBT | 7,295 | 7,005 | +290 | +4.1% |
| Short-term gross debt | 1,265 | 885 | +380 | +43.0% |
| Medium and Long-term gross debt | 6,030 | 6,120 | -90 | -1.5% |

La Poste's gross bonds are made up of about ten loans, originally with fixed rates, some of which have been switched to floating-rate bonds as part of floating rate investments, and for others, converted to fixed-rate again, according to whether interest rates were forecast to rise.

The main changes in relation to gross debt during the first half of 2015 were as follows:

- The fair value of bonds increased €460 million during the first half of 2015, following the issue of a €500 million 10-year bond and currently stands at €6,454 million;
- Commercial paper fell €135 million: issue of commercial paper for a total of €235 million and the maturity of €370 million during the same period;
- Change in accrued interest not due totalling €33 million. This change was in line with the Group's recurring interest payment cycle.

The average cost of debt at four years (2015-2018) came to 2.75% in 2015 (3.95% before active management).

5.3.2 Net debt

| (€ million) | Half-year ended 30 June | | | |
|--|-------------------------|------------------|---------------------|--------------|
| | 6/2015 | 12/2014 | Change | |
| | | <i>pro forma</i> | <i>vs pro forma</i> | |
| | | | (in € million) | (in %) |
| Gross debt at the end of the period | 7,295 | 7,005 | +290 | +4.1% |
| Cash and cash equivalents | -1,962 | -1,389 | -573 | +41.2% |
| Other assets | -1,620 | -1,610 | -10 | +0.6% |
| NET DEBT AT THE END OF THE PERIOD | +3,713 | +4,005 | -292 | -7.3% |

The Group's net debt came to €3,713 million at the end of June 2015, down €292 million compared to 31 December 2014.

Other assets consist of:

- Investments of more than three months, a portion of which are cash investments backing future bond maturities, which amounted to €600 million at end-June 2015;
- Derivative assets related to the debt, the fair value of which amounted to €324 million at end-June 2015 plus €11 million in guarantee deposits paid on financial instruments.
- Net financial position in respect of La Banque Postale, including €300 million in term deposits, €387 million in interest-bearing checking accounts and net debt to La Banque Postale of €2 million ("payables/receivables" balance).

5.4 Equity and financial structure

Half-year ended 30 June

| (€ million) | 6/2015 | 12/2014 <i>pro forma</i> | Change | |
|--|--------------|-----------------------------|-----------------------------|--------------|
| | | | <i>vs pro forma</i> (€m) | (in %) |
| Consolidated equity Group share (beginning of the period) | 9,113 | 8,615 | +498 | +5.8% |
| Capital increase | 0 | 0 | +0 | - |
| Net profit Group share | 424 | 513 | -89 | -17.4% |
| Dividend payments | -171 | -171 | -0 | +0.0% |
| Unrealised gains and losses on financial instruments | -146 | 275 | -422 | n.s. |
| Translation adjustments | 40 | 28 | +12 | +41.0% |
| Actuarial differences | 63 | -118 | +181 | n.s. |
| Other items | 112 | -30 | +143 | n.s. |
| Equity Group share | 9,435 | 9,112 | +323 | +3.5% |
| Non-controlling interests | 278 | 270 | +8 | +3.1% |
| CONSOLIDATED EQUITY (END OF PERIOD) | 9,714 | 9,382 | +331 | +3.5% |

Equity Group share was €9,435 million at end-June 2015, up €323 million.

5.5 Credit rating

As part of the review of ratings in the banking sector following recent regulatory changes reducing government support to national banks, Fitch revised La Banque Postale's long-term rating to 'A-' with stable outlook. The short-term rating was confirmed at 'F1'.

La Poste and La Banque Postale's other ratings remain unchanged as at the first half of 2015.

5.5.1 La Poste rating

| Company | Agency | Long-term rating | Short-term rating | Outlook | Last revised |
|----------|---------------------|------------------|-------------------|---------|------------------|
| La Poste | Fitch Ratings | A+ | F1 | Stable | 18 December 2014 |
| | Standard and Poor's | A | A-1 | Stable | 24 October 2014 |

5.5.2 La Banque Postale Rating

| Company | Agency | Long-term rating | Short-term rating | Outlook | Last revised |
|-------------------|---------------------|------------------|-------------------|---------|-----------------|
| La Banque Postale | Fitch Ratings | A- | F1 | Stable | 21 May 2015 |
| | Standard and Poor's | A | A-1 | Stable | 24 October 2014 |

6. Outlook and post balance sheet events

6.1 Outlook

For 2015, the Group anticipates around 3% revenue growth, an increase in its operating profit and a substantial improvement in cash generation.

Business development, coupled with the price increases that took place on 1 January 2015 as well as efforts to control costs and reduce overheads explain the improvement expected for the year, even with mail volumes continuing to fall.

Continuation of action plans launched in the first half of 2014 under the Group's "La Poste 2020: Conquering the Future" strategic plan, will enable the Group to make 2015 a rebound year. The Group remains focused to face challenges in order to meet its medium-term business plan, which counts on achieving operating profit of €1.9 billion in 2020 and in order to continue transforming its business model.

6.2 Post balance sheet events

None.

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
AT 30 JUNE 2015**

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CONSOLIDATED INCOME STATEMENT

| (€ million) | NOTE | S1 2015 | S1 2014 ^(a) | 2014 |
|--|------|-----------------|------------------------|-----------------|
| Revenues from commercial activities | 4 | 8,537 | 8,126 | 16,503 |
| Net banking income | 5 | 2,922 | 2,839 | 5,660 |
| Operating revenue | | 11,459 | 10,965 | 22,163 |
| Purchases and other expenses | 6 | (3,806) | (3,488) | (7,448) |
| Personnel expenses | 7 | (6,351) | (6,274) | (12,556) |
| Taxes and levies | 8 | (169) | (173) | (235) |
| Depreciation, amortisation, provisions and impairment | 8 | (602) | (661) | (1,363) |
| Other operating revenue and expenses | 8 | 85 | 54 | 158 |
| Proceeds from asset disposals | | (3) | | (18) |
| Net operating expenses | | (10,844) | (10,542) | (21,462) |
| Operating profit/(loss) before share in results of joint ventures | | 615 | 423 | 701 |
| Share in results of joint ventures | 13 | 1 | 4 | 18 |
| Operating profit/(loss) after share in results of joint ventures | | 616 | 427 | 719 |
| Cost of net financial debt | | (63) | (85) | (157) |
| Other financial items | | (11) | (18) | (41) |
| Financial profit/(loss) | 9 | (74) | (102) | (198) |
| Profit before tax of consolidated companies | | 542 | 324 | 521 |
| Income tax | 10 | (217) | (103) | (182) |
| Share in profits of associates | 13 | 113 | 115 | 200 |
| CONSOLIDATED NET PROFIT/(LOSS) | | 438 | 336 | 539 |
| Net profit/(loss), group share | | 424 | 322 | 513 |
| Attributable to non-controlling interests | | 14 | 14 | 27 |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

| Amounts after tax (€ million) | S1 2015 | S1 2014 ^(a) | 2014 |
|---|-------------|------------------------|------------|
| Consolidated net profit/(loss) | 438 | 336 | 539 |
| Other comprehensive income recognised under equity | | | |
| Recyclable items | | | |
| Change in unrealised gains and losses on financial instruments | (158) | 8 | 79 |
| <i>Of which transferred to net profit/(loss) for the year</i> | (42) | (1) | (61) |
| Translation adjustments | 40 | 16 | 29 |
| <i>Of which transferred to net profit/(loss) for the year</i> | | | |
| Share in other comprehensive income of equity companies | 7 | 165 | 216 |
| <i>Of which</i> | | | |
| - change in unrealised gains and losses on financial instruments | 8 | 148 | 217 |
| - other unrealised gains and losses on financial instruments | | | |
| - cumulative translation adjustments | (1) | 17 | (1) |
| Non recyclable items | | | |
| Actuarial adjustments on employee benefits | 63 | (47) | (118) |
| Total other comprehensive income recognised in equity (after tax) | (48) | 142 | 206 |
| Total comprehensive income/(loss) | 390 | 478 | 745 |
| TOTAL COMPREHENSIVE INCOME/(LOSS), GROUP SHARE | 381 | 453 | 698 |
| Total comprehensive income/(loss) attributable to non-controlling interests | 10 | 25 | 47 |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

CONSOLIDATED BALANCE SHEET

| ASSETS (€ million) | NOTE | 30/06/2015 | 31/12/2014 ^(a) |
|--|------|----------------|---------------------------|
| Goodwill | 11 | 1,842 | 1,805 |
| Intangible assets | 12 | 849 | 850 |
| Tangible assets | 12 | 5,783 | 5,880 |
| Investments in joint ventures and associates | 13 | 3,063 | 3,075 |
| Other non-current financial assets | 14 | 697 | 831 |
| Deferred tax assets | | 339 | 250 |
| NON-CURRENT ASSETS | | 12,574 | 12,691 |
| Current banking assets | | | |
| Customer receivables and loans | 15 | 72,265 | 67,857 |
| Receivables from credit institutions | 15 | 83,179 | 83,315 |
| Securities portfolio | 15 | 53,047 | 52,541 |
| Other current financial assets | 15 | 1,828 | 1,521 |
| Accruals | 15 | 1,067 | 998 |
| Cash and central bank deposits | 15 | 3,777 | 1,950 |
| Other current assets | | | |
| Inventories and work-in-progress | 14 | 119 | 119 |
| Trade and other receivables | 14 | 3,292 | 3,303 |
| Other current financial assets | 14 | 594 | 383 |
| Income tax credit | | 162 | 194 |
| Other accruals – Assets | | 73 | 60 |
| Cash and cash equivalents | 14 | 1,962 | 1,389 |
| Assets held for sale | | 33 | 29 |
| CURRENT ASSETS | | 221,399 | 213,658 |
| TOTAL ASSETS | | 233,973 | 226,349 |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

| LIABILITIES | | | |
|---|------|----------------|---------------------------|
| (€ million) | NOTE | 30/06/2015 | 31/12/2014 ^(a) |
| Share capital | | 3,800 | 3,800 |
| Issue premium | | 900 | 900 |
| Reserves | | 3,756 | 3,301 |
| Unrealised gains and losses on financial instruments | | 742 | 888 |
| Actuarial adjustments on employee benefits | | (135) | (198) |
| Cumulative translation adjustments | | (52) | (92) |
| Net profit/(loss), group share | | 424 | 513 |
| Equity, group share | | 9,435 | 9,112 |
| Non-controlling interests | | 278 | 270 |
| CONSOLIDATED EQUITY | | 9,714 | 9,382 |
| Medium and long-term bonds and other financial debt | 17.1 | 6,030 | 6,120 |
| Employee benefits – non-current liabilities | 19 | 1,866 | 1,912 |
| Non-current provisions for contingencies and losses | 16.2 | 273 | 172 |
| Deferred tax liabilities | | 298 | 309 |
| NON-CURRENT LIABILITIES | | 8,467 | 8,513 |
| Current provisions for contingencies and losses | | | |
| Specific provisions for the Insurance and Banking activities | 16.1 | 2,421 | 2,228 |
| Current provisions for contingencies and losses | 16.2 | 555 | 585 |
| Short-term bonds and other financial debt | 17.1 | 1,265 | 885 |
| Current banking liabilities | | | |
| Liabilities to credit institutions | 20 | 17,284 | 15,157 |
| Liabilities to customers | 20 | 172,934 | 167,251 |
| Debt evidenced by a certificate and other financial liabilities | 20 | 14,371 | 15,143 |
| Accruals | 20 | 1,801 | 1,995 |
| Other current liabilities | | | |
| Trade and other payables | 21 | 4,171 | 4,282 |
| Government – Income tax | | 40 | 38 |
| Employee benefits – current liabilities | 19 | 695 | 683 |
| Other accruals – Liabilities | | 255 | 208 |
| CURRENT LIABILITIES | | 215,792 | 208,454 |
| TOTAL LIABILITIES | | 233,973 | 226,349 |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

CHANGES IN CONSOLIDATED EQUITY 2015

| Amounts after tax (€ million) | Share capital | Issue premium | Unallocated profit/(loss) | Cumulative translation adjustments | Unrealised gains and losses on financial instruments – CNP | Other unrealised gains and losses on financial instruments | Actuarial adjustments on employee benefits | Other reserves | Total, Group share | Non-controlling interests | Total |
|---|---------------|---------------|---------------------------|------------------------------------|--|--|--|----------------|--------------------|---------------------------|--------------|
| Consolidated equity as at 31/12/2014 (restated) ^(a) | 3,800 | 900 | 513 | (92) | 635 | 253 | (198) | 3,301 | 9,112 | 270 | 9,382 |
| Dividend payments | | | (171) | | | | | | (171) | (11) | (182) |
| Call options on non-controlling interests | | | | | | | | (1) | (1) | (6) | (7) |
| Transactions with non-controlling interests ^(b) | | | | | | | | 94 | 94 | (4) | 90 |
| Appropriation of 2014 earnings | | | (342) | | | | | 342 | | | |
| Comprehensive income for the year | | | 424 | 40 | 8 | (154) | 63 | | 381 | 10 | 390 |
| Of which: - Net profit | | | 424 | | | | | | 424 | 14 | 438 |
| - Other comprehensive income | | | | 40 | 8 | (154) | 63 | | (43) | (5) | (48) |
| Other ^(c) | | | | | | | | 20 | 20 | 20 | 40 |
| Consolidated equity as at 30/06/2015 | 3,800 | 900 | 424 | (52) | 642 | 100 | (135) | 3,756 | 9,435 | 278 | 9,714 |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

(b) Of which a €96 million impact of the sale of a 25% stake in La Banque Postale Asset Management to Aegon Asset Management, as part of their capital and industrial partnership (see Note 1.3).

(c) Of which a gain of €24 million in the opening equity, following the finalisation of the purchase price allocation of Sofiap (acquired in 2014).

CHANGES IN CONSOLIDATED EQUITY 2014

1st semester 2014

| Amounts after tax (€ million) | Share capital | Issue premium | Unallocated profit/(loss) | Cumulative translation adjustments | Unrealised gains and losses on financial instruments – CNP | Other unrealised gains and losses on financial instruments | Actuarial adjustments on employee benefits | Other reserves | Total, Group share | Non- controlling interests | Total |
|---|------------------|------------------|------------------------------|--|---|---|---|-------------------|-----------------------------------|----------------------------------|--------------|
| Consolidated equity as at 31/12/2013 (restated) ^(a) | 3,800 | 900 | 624 | (120) | 418 | 195 | (80) | 2,903 | 8,640 | 235 | 8,875 |
| Dividend payments | | | (171) | | | | | | (171) | (13) | (184) |
| Call options on non-controlling interests | | | | | | | | (56) | (56) | (28) | (84) |
| Purchase of non-controlling interests | | | | | | | | | | | |
| Appropriation of 2013 earnings | | | (453) | | | | | 453 | | | |
| Comprehensive income for the year | | | 322 | 33 | 148 | (3) | (47) | | 453 | 25 | 478 |
| Of which: - Net profit | | | 322 | | | | | | 322 | 14 | 336 |
| - Other comprehensive income | | | | 33 | 148 | (3) | (47) | | 131 | 11 | 142 |
| Other | | | | | | | | 2 | 2 | 44 | 46 |
| Consolidated equity as at 30/06/2014 (restated) ^(a) | 3,800 | 900 | 322 | (88) | 566 | 192 | (126) | 3,302 | 8,868 | 263 | 9,131 |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

2014

| Amounts after tax (€ million) | Share capital | Issue premium | Unallocated profit/(loss) | Cumulative translation adjustments | Unrealised gains and losses on financial instruments – CNP | Other unrealised gains and losses on financial instruments | Actuarial adjustments on employee benefits | Other reserves | Total, Group share | Non-controlling interests | Total |
|---|---------------|---------------|---------------------------|------------------------------------|--|--|--|----------------|--------------------|---------------------------|--------------|
| Consolidated equity as at 31/12/2013 (restated) ^(a) | 3,800 | 900 | 624 | (120) | 418 | 195 | (80) | 2,903 | 8,640 | 235 | 8,875 |
| Dividend payments | | | (171) | | | | | | (171) | (15) | (186) |
| Call options on non-controlling interests | | | | | | | | (56) | (56) | (32) | (89) |
| Purchase of non-controlling interests | | | | | | | | 2 | 2 | (6) | (5) |
| Appropriation of 2013 earnings | | | (453) | | | | | 453 | | | |
| Comprehensive income for the year | | | 513 | 28 | 217 | 58 | (118) | | 698 | 47 | 772 |
| Of which: - Net profit | | | 513 | | | | | | 513 | 27 | 539 |
| - Other comprehensive income | | | | 28 | 217 | 58 | (118) | | 186 | 21 | 206 |
| Other | | | | | | | | (1) | (1) | 43 | 42 |
| Consolidated equity as at 31/12/2014 (restated) ^(a) | 3,800 | 900 | 513 | (92) | 635 | 253 | (198) | 3,301 | 9,112 | 270 | 9,382 |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

CONSOLIDATED CASH FLOW STATEMENT

| | S1 2015 | | | S1 2014 ^(a) | | | 2014 ^(a) | | |
|--|--------------|--------------|-------------------|------------------------|--------------|-------------------|---------------------|--------------|-------------------|
| | Group | Non-banking | La Banque Postale | Group | Non-banking | La Banque Postale | Group | Non-banking | La Banque Postale |
| (€ million) | | | | | | | | | |
| EBITDA | 1,490 | 629 | 861 | 1,246 | 431 | 814 | 2,554 | 944 | 1,610 |
| Change in provisions for current assets and unrecoverable receivables | (98) | 5 | (103) | (164) | (9) | (155) | (261) | (38) | (223) |
| Miscellaneous financial income and expenses | | | | 1 | 1 | | | | |
| Cash flows from operating activities before cost of net debt and taxes | 1,392 | 633 | 759 | 1,082 | 423 | 659 | 2,292 | 906 | 1,387 |
| Change in working capital requirement | (136) | (117) | (19) | (157) | (257) | 101 | (12) | (152) | 140 |
| Change in cash held at post offices | | | | 115 | 115 | | (21) | (21) | |
| CICE tax credit for the period (excluding provisions) | (172) | (171) | (1) | (179) | (178) | (1) | (349) | (346) | (2) |
| Change in balance of banking sources and uses | 1,327 | | 1,327 | (1,289) | | (1,289) | (2,397) | | (2,397) |
| Taxes paid | 72 | 222 | (150) | 99 | 249 | (150) | (74) | 305 | (378) |
| Dividends paid by La Banque Postale to La Poste | | 305 | (305) | | 261 | (261) | | 325 | (325) |
| Dividends received from equity associates | 137 | 31 | 106 | 111 | 4 | 106 | 122 | 15 | 106 |
| Cash flows from operating activities | 2,621 | 903 | 1,718 | (218) | 616 | (835) | (438) | 1,030 | (1,469) |
| Purchase of intangible and tangible assets | (394) | (312) | (82) | (460) | (393) | (67) | (1,052) | (844) | (208) |
| Purchase of financial assets | (29) | (8) | (21) | (6) | (4) | (2) | (17) | (16) | (1) |
| Proceeds from the disposal of tangible and intangible assets | 32 | 32 | | 47 | 47 | | 120 | 120 | |
| Proceeds from disposals of financial assets | 6 | 5 | | 9 | 8 | 1 | 16 | 16 | |
| Impact of changes in consolidation scope | (87) | (87) | | (44) | (7) | (38) | (194) | (156) | (38) |
| Change in financial assets held for investment purposes | (39) | (39) | | (17) | (17) | | 86 | 86 | |
| Cash flows from investing activities | (512) | (410) | (102) | (471) | (366) | (105) | (1,040) | (794) | (246) |
| Capital increase | | | | 8 | | 8 | 8 | | 8 |
| Dividends paid | (181) | (171) | (10) | (171) | (171) | | (186) | (174) | (12) |
| Interest paid | (24) | (24) | | (28) | (28) | | (150) | (150) | |
| Proceeds from new borrowings | 735 | 735 | | 1,051 | 301 | 750 | 1,541 | 791 | 750 |
| Repayment of borrowings | (392) | (392) | | (462) | (462) | | (830) | (830) | |
| Purchase of non-controlling interests | (5) | (5) | | | | | (3) | (3) | |
| Other cash flows from financing activities | 96 | (18) | 114 | 150 | 150 | | (9) | (9) | |
| Intra-group flows | | (51) | 51 | | 80 | (80) | | (581) | 581 |
| Cash flows from financing activities | 229 | 74 | 155 | 548 | (130) | 678 | 372 | (955) | 1,327 |
| Decrease (increase) in cash and cash equivalents from banking activities before impact of changes in consolidation scope and transfer of cash held at post offices | (1,771) | | (1,771) | 262 | | 262 | 388 | | 388 |
| Impact of changes in exchange rates | 5 | 5 | | 1 | 1 | | 4 | 4 | |
| Change in cash and cash equivalents ^(c) | 572 | 572 | | 122 | 122 | | (715) | (715) | |
| Opening cash and cash equivalents ^(b) | 1,389 | 1,389 | | 2,104 | 2,104 | | 2,105 | 2,105 | |
| Closing cash and cash equivalents ^(b) | 1,962 | 1,962 | | 2,227 | 2,227 | | 1,389 | 1,389 | |

(a) Amounts restated to account for the first-time application of IFRIC 21 (see note 2.3.).

(b) Excluding cash held at post offices.

GENERAL ITEMS

Comparative data for 2014 in the notes to the financial statement have been restated to account for the first-time application of IFRIC 21. The details of the restatements are shown in note 2.3.

NOTE 1 SIGNIFICANT EVENTS DURING THE SEMESTER

- 1.1 Regrouping of the Group's headquarters
- 1.2 Bond issue
- 1.1 Main changes in the consolidation scope

1.1 Regrouping of the Group's headquarters

At the Board meeting of 24 February 2015, La Poste announced the launch of a project to regroup the Group's and the branches' headquarters in Issy-les-Moulineaux. This project aims to enhance the coordination and performance of the registered office and support services departments.

Implementing this project is expected to generate costs linked to uncancellable leases on vacated properties and restoration costs of some properties, for an estimated amount of €34 million. A provision was recognised as at 30 June 2015 for these costs.

1.2 Bond issue

On 27 May 2015, La Poste issued €500 million in bonds with a 10-year maturity (see Note 17.2).

1.3 Main changes in the consolidation scope

Acquisition of DPD Systemlogistik

GeoPost acquired in the first semester of 2015 DPD Systemlogistik, a franchisee of the DPD Germany network who operates mainly in Bavaria. The company will be consolidated in the second semester of 2015.

Acquisition by Aegon Asset Management of a stake in La Banque Postale Asset Management

La Banque Postale and Aegon Asset Management (Aegon AM) finalised on 3 June 2015 their capital and industrial partnership agreement in asset management.

As part of this agreement, Aegon AM acquired a 25% minority stake in La Banque Postale Asset Management (LBPAM) for €117 million, generating a €96 million impact recognised in Group's equity.

Income statement at constant scope and exchange rates

The restated net profit/(loss) eliminates the effect of all acquisitions made during the current year and the prior year's acquisitions concluded during the year. It also shows foreign currency transactions from the prior year at the average rate during the current year.

| (€ million) | Reported net profit/(loss) | | Restated net profit/(loss) excluding scope and exchange rate effects | |
|--|----------------------------|----------------------------|--|----------------------------|
| | S1 2015 | S1 2014 <i>Restated</i> | S1 2015 | S1 2014 <i>Restated</i> |
| Revenues and NBI | 11,459 | 10,965 | 11,364 | 11,031 |
| Purchases and other expenses | (3,806) | (3,488) | (3,735) | (3,529) |
| Personnel expenses | (6,351) | (6,274) | (6,335) | (6,289) |
| Taxes and levies | (169) | (173) | (168) | (173) |
| Depreciation, amortisation and provisions | (602) | (661) | (598) | (662) |
| Other current operating revenue and expenses | 85 | 54 | 86 | 54 |
| Pre-tax gains and losses on asset disposals | (3) | | (2) | |
| Net operating expenses | (10,844) | (10,542) | (10,754) | (10,599) |
| Operating profit/(loss) before share in results of joint ventures | 615 | 423 | 610 | 431 |
| Share in results of joint ventures | 1 | 4 | 2 | 3 |
| OPERATING PROFIT/(LOSS) AFTER SHARE IN RESULTS OF JOINT VENTURES | 616 | 427 | 612 | 434 |

NOTE 2 ACCOUNTING RULES AND POLICIES

- 2.1 Accounting guidelines
- 2.2 Valuation basis and use of estimates
- 2.3 First time application of IFRIC 21

La Poste, the parent company of Le Groupe La Poste ("Le Groupe La Poste" or "the Group") has been a Société Anonyme (public limited company) since 1 March 2010, and has its registered office at 44, boulevard de Vaugirard in Paris. It had previously been an independent state-owned entity, which was already subject to the same financial management and accounting rules as commercial businesses.

The consolidated financial statements of Le Groupe La Poste for the semester ended 30 June 2015 were signed off by the Board of Directors (meeting on 30 July 2015), and the General Shareholders' Meeting will be asked to approve them.

2.1 Accounting guidelines

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the condensed consolidated financial statements of Le Groupe La Poste for the semester ended 30 June 2015 were prepared in accordance with international financial reporting standards (IFRS) as adopted by the European Union. These standards are available on the website of the European Commission (ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

The condensed consolidated financial statements as of 30 June 2015 have been prepared in accordance with IAS 34 – *Interim financial reporting*. The condensed financial statements do not contain all the information required for full annual financial statements, and should be read in conjunction with the Group's financial statements at 31 December 2014.

The accounting principles applied as at 30 June 2015 are unchanged from those applied as at 31 December 2014, except for the items described in Point A below.

2.1.1 Standards and application interpretations that are mandatory for the first time as of 30 June 2014

IFRIC 21 – Levies

IFRIC 21 is an interpretation of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, which provides guidance on how to account for taxes and levies imposed by a public authority. The effects on the Group's consolidated accounts of the first time application of this interpretation are presented in note 2.3.

Annual improvements 2011-2013

This text did not have any impact on the Group's financial statements as at 30 June 2015.

2.1.2 Standards and application interpretations that will be mandatory after 30 June 2015 and that were not applied in advance

Le Groupe La Poste did not adopt early any standard or interpretation with mandatory application after 30 June 2015.

2.2 Valuation basis and use of estimates

The consolidated financial statements are prepared using the historical cost method, with the exception of certain financial instruments measured at fair value.

When preparing the financial statements, the Group is required to make the best possible estimates and to select assumptions that affect the values of assets and liabilities in the balance sheet, and the contingent assets and liabilities disclosed in the notes to the consolidated financial statements, as well as the income and expenses in the income statement. The actual amounts may subsequently differ from the estimates and assumptions.

The items primarily concerned are:

- the calculation of employee benefits;
- the estimates for provisions for contingencies and losses, especially the Home Loan Savings provision;
- the assumptions selected for impairment tests on goodwill and on intangible and tangible assets;
- the measurement of financial instruments not listed on organised markets;
- the credit risk assessments performed by La Banque Postale;
- the assumptions and estimates used to measure the effectiveness of hedges.

2.3 First time application of IFRIC 21

IFRIC 21 – *Levies* was issued by the IASB in May 2013, and endorsed by the European Union in June 2014. It is effective for the annual period beginning on 1 January 2015 for Le Groupe La Poste.

IFRIC 21 provides guidance on how to apply IAS 37 regarding the accounting for levies, which are not income taxes, imposed by a public authority.

Such levies must be recognised when the activity that triggers payment, as identified by the relevant legislation, occurs. In particular, levies that are triggered by being in business or by holding an asset at a specific date must be recognised in full at that date.

The review of existing levies within Le Groupe La Poste led to change the way 3 levies are recognised: the Corporate Social Solidarity Contribution (C3S), the Property Tax, and the Global Banking Risk Tax. These levies are now recognised in full as at 1 January of the year for which the levies are due, whereas they were previously recognised progressively over the year.

Furthermore, the C3S levy was previously recognised over the year during which the revenue on which the levy is based was generated. It is now recognised on 1 January of the year when the levy is due, based on revenue generated during the previous year. This change led to recognise an impact in equity as at

1 January 2014 and 2015, corresponding to the reversal of the accruals previously recognised.

RESTATED DATA

The following restatement tables are presented hereafter:

- Effect of the first-time application of IFRIC 21 on the income statement for the first semester of 2014
- Effect of the first-time application of IFRIC 21 on the balance sheet as at 31 December 2014
- Effect of the first-time application of IFRIC 21 on the cash flow statement for the first semester of 2014

EFFECT OF THE FIRST-TIME APPLICATION OF IFRIC 21 ON THE INCOME STATEMENT

INCOME STATEMENT 1ST SEMESTER 2014

| (€ million) | S1 2014 as reported | Impact of IFRIC 21 | Other ^(a) | S1 2014 restated |
|---|------------------------|-----------------------|----------------------|---------------------|
| Revenues from commercial activities | 8,126 | | | 8,126 |
| Net banking income | 2,847 | | (8) | 2,839 |
| Operating revenue | 10,973 | | (8) | 10,965 |
| Purchases and other expenses | (3,488) | | | (3,488) |
| Personnel expenses | (6,274) | | | (6,274) |
| Taxes and levies | (132) | (51) | 10 | (173) |
| Depreciation, amortisation, provisions and impairment | (651) | | (10) | (661) |
| Other operating revenue and expenses | 54 | | | 54 |
| Proceeds from asset disposals | | | | |
| Net operating expenses | (10,491) | (51) | | (10,542) |
| Operating profit/(loss) before share in joint-ventures | 482 | (51) | (8) | 423 |
| Share in joint-ventures | 4 | | | 4 |
| Operating profit/(loss) after share in joint-ventures | 485 | (51) | (8) | 427 |
| Financial profit/(loss) | (102) | | | (102) |
| Profit before tax of consolidated companies | 383 | (51) | (8) | 324 |
| Income tax | (126) | 19 | 3 | (103) |
| Share in profits of equity associates | 115 | | | 115 |
| CONSOLIDATED NET PROFIT/(LOSS) | 372 | (32) | (5) | 336 |
| Net profit/(loss), group share | 355 | (32) | (2) | 322 |
| Net profit/(loss), attributable to non-controlling interests | 17 | | (3) | 14 |
| TOTAL COMPREHENSIVE INCOME | 514 | (32) | (5) | 478 |

(a) Amortising of the asset representing the value of contracts in stock, accounted for in the opening balance sheet of LBP Prévoyance following the first-time application of IFRS 10 in 2014. (see Note 3.1.1. of financial statements as at 31 December 2014), and reclassification of some charges.

INCOME STATEMENT 2014

The application of IFRIC 21 did not have any material impact on the annual income statement of the year 2014.

EFFECT OF THE FIRST-TIME APPLICATION OF IFRIC 21 ON THE BALANCE SHEET

BALANCE SHEET AS AT 31 DECEMBER 2014

| (€ million) | 31/12/2014 as reported | Impact of IFRIC 21 | 31/12/2014 restated |
|--------------------------------|---------------------------|-----------------------|------------------------|
| Deferred tax assets | 264 | (15) | 250 |
| Other non-current assets | 12,442 | | 12,442 |
| NON-CURRENT ASSETS | 12,706 | (15) | 12,691 |
| CURRENT ASSETS | 213,658 | | 213,658 |
| TOTAL ASSETS | 226,364 | (15) | 226,349 |
| Equity, group share | 9,088 | 24 | 9,112 |
| Non-controlling interests | 270 | | 270 |
| CONSOLIDATED EQUITY | 9,358 | 25 | 9,382 |
| NON-CURRENT LIABILITIES | 8,513 | | 8,513 |
| Trade and other payables | 4,321 | (39) | 4,282 |
| Other accruals – Liabilities | 204,173 | | 204,173 |
| CURRENT LIABILITIES | 208,494 | (39) | 208,454 |
| TOTAL LIABILITIES | 226,364 | (15) | 226,349 |

The impact of the application of IFRIC 21 as at 1 January 2014 was substantially the same as at 31 December 2014.

EFFECT OF THE FIRST-TIME APPLICATION OF IFRIC 21 ON THE CASH-FLOW STATEMENT

CASH FLOW STATEMENT 1ST SEMESTER 2014

| (€ million) | S1 2014 as reported | | | Impact of IFRIC 21 | Other | S1 2014 restated | | |
|---|---------------------|-----------------|-------------------------|-----------------------|------------|------------------|-----------------|-------------------------|
| | Group | Non- banking | La Banque Postale | | | Group | Non- banking | La Banque Postale |
| EBITDA | 1,294 | 464 | 830 | (51) | 2 | 1,246 | 431 | 814 |
| Cash flows from operating activities before cost of net debt and taxes | 1,141 | 456 | 685 | (51) | (8) | 1,082 | 423 | 659 |
| Cash flows from operating activities | (218) | 616 | (835) | | | (218) | 616 | (835) |
| Cash flows from investing activities | (471) | (366) | (105) | | | (471) | (366) | (105) |
| Cash flows from financing activities | 548 | (130) | 678 | | | 548 | (130) | 678 |
| Change in cash and cash equivalents | 122 | 122 | | | | 122 | 122 | |
| Opening cash and cash equivalents | 2,104 | 2,104 | | | | 2,104 | 2,104 | |
| Closing cash and cash equivalents | 2,227 | 2,227 | | | | 2,227 | 2,227 | |

The application of IFRIC 21 did not have any impact on the cash flow statement of the year 2014.

NOTE 3 SEGMENT REPORTING

The accounting principles applied to segment reporting, and the reported segments, did not change since 31 December 2014.

1ST SEMESTER 2015

| (€ million) | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real Estate | Shared Services | Unallocated ^(a) | Eliminations | Total |
|--|-----------------------|--------------|-------------------|------------------|------------------|-------------|-----------------|----------------------------|----------------|---------------|
| Non-Group revenues and NBI | 5,621 | 2,659 | 2,922 | 234 | 17 | 4 | | | | 11,459 |
| Inter-segment revenues and NBI | 136 | 33 | 7 | 44 | 2,031 | 410 | 332 | | (2,993) | |
| Operating revenue | 5,757 | 2,693 | 2,929 | 278 | 2,049 | 414 | 332 | | (2,993) | 11,459 |
| Operating profit/(loss) before share in results of joint ventures | 507 | 170 | 468 | (9) | (35) | 3 | (159) | (331) | | 615 |
| Share in results of joint ventures | 1 | 1 | | | (2) | 1 | | | | 1 |
| Operating profit/(loss) after share in results of joint ventures | 508 | 171 | 468 | (9) | (37) | 4 | (159) | (331) | | 616 |
| Financial profit/(loss) | | | | | | | | (74) | | (74) |
| Income tax | | | | | | | | (217) | | (217) |
| Share in profits of associates | | 2 | 111 | (1) | | 1 | | | | 113 |
| CONSOLIDATED NET PROFIT/(LOSS) | | | | | | | | | | 438 |
| Depreciation, amortisation, provisions and impairment | (115) | (57) | (185) | (11) | (31) | (120) | (81) | | | (602) |
| Segment assets | 2,739 | 3,788 | 219,610 | 573 | 228 | 3,656 | 8,246 | (4,866) | | 233,973 |

1ST SEMESTER 2014

| (€ million) | Services-Mail-Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real Estate | Shared Services | Unallocated ^(a) | Eliminations | Total |
|--|-----------------------|--------------|-------------------|------------------|------------------|-------------|-----------------|----------------------------|----------------|---------------|
| Non-Group revenues and NBI | 5,593 | 2,275 | 2,839 | 243 | 12 | 4 | | | | 10,965 |
| Inter-segment revenues and NBI | 131 | 36 | 7 | 22 | 2,076 | 417 | 330 | | (3,020) | |
| Operating revenue | 5,724 | 2,311 | 2,847 | 265 | 2,088 | 420 | 330 | | (3,020) | 10,965 |
| Operating profit/(loss) before share in results of joint ventures | 308 | 124 | 439 | (13) | (22) | 14 | (111) | (314) | | 423 |
| Share in results of joint ventures | 1 | 3 | | | (3) | 3 | | | | 4 |
| Operating profit/(loss) after share in results of joint ventures | 308 | 127 | 439 | (13) | (25) | 17 | (111) | (314) | | 427 |
| Financial profit/(loss) | | | | | | | | (102) | | (102) |
| Income tax | | | | | | | | (103) | | (103) |
| Share in profits of associates | | | 114 | | | 1 | | | | 115 |
| CONSOLIDATED NET PROFIT/(LOSS) | | | | | | | | | | 336 |
| Depreciation, amortisation, provisions and impairment | (130) | (100) | (188) | (18) | (35) | (126) | (64) | | | (661) |
| Segment assets | 2,724 | 3,269 | 209,861 | 505 | 627 | 3,874 | 8,700 | | (4,951) | 224,609 |

2014

| (€ million) | Services- Mail- Parcels | GeoPost | La Banque Postale | Digital Services | La Poste Network | Real Estate | Shared Services | Unalloca- ted ^(a) | Elimina- tions | Total |
|--|-------------------------------|--------------|-------------------------|---------------------|---------------------|----------------|--------------------|---------------------------------|-------------------|---------------|
| Non-Group revenues and NBI | 11,131 | 4,847 | 5,660 | 487 | 27 | 11 | | | | 22,163 |
| Inter-segment revenues and NBI | 257 | 74 | 13 | 46 | 4,238 | 833 | 668 | | (6,128) | |
| Operating revenue | 11,388 | 4,921 | 5,673 | 533 | 4,265 | 843 | 668 | | (6,128) | 22,163 |
| Operating profit/(loss) before share in results of joint ventures | 417 | 276 | 842 | (62) | 34 | 49 | (160) | (694) | | 701 |
| Share in results of joint ventures | 2 | 8 | | | (3) | 10 | | | | 18 |
| Operating profit/(loss) after share in results of joint ventures | 419 | 284 | 842 | (62) | 31 | 60 | (160) | (694) | | 719 |
| Financial profit/(loss) | | | | | | | | (198) | | (198) |
| Income tax | | | | | | | | (182) | | (182) |
| Share in profits of associates | | 1 | 199 | (1) | | 2 | | | | 200 |
| CONSOLIDATED NET PROFIT/(LOSS) | | | | | | | | | | 539 |
| Depreciation, amortisation, provisions and impairment | (292) | (188) | (399) | (63) | (77) | (252) | (92) | | | (1,363) |
| Segment assets | 2,751 | 3,627 | 212,597 | 501 | 163 | 3,909 | 8,062 | | (5,261) | 226,349 |

(a) Primarily includes the contribution to regional development (including the costs relating to the accessibility constraint), financial profit/(loss), and income tax.

NOTES TO THE INCOME STATEMENT

NOTE 4 REVENUES

| (€ million) | S1 2015 | S1 2014 | 2014 |
|---|--------------|--------------|---------------|
| Services-Mail-Parcels revenues | 5,621 | 5,593 | 11,131 |
| Correspondence and other La Poste products and services | 3,456 | 3,392 | 6,683 |
| Advertising mail | 587 | 639 | 1,286 |
| Press ^(a) | 283 | 292 | 581 |
| Products and services of the subsidiaries (domestic mail) | 224 | 218 | 428 |
| International mail | 308 | 300 | 595 |
| Parcels | 764 | 751 | 1,558 |
| GeoPost revenue | 2,659 | 2,275 | 4,847 |
| Express France | 629 | 558 | 1,183 |
| Express Rest of World | 2,030 | 1,717 | 3,664 |
| Digital Services revenue | 234 | 243 | 487 |
| La Poste Network revenue ^(b) | 17 | 12 | 27 |
| Real Estate revenue ^(c) | 4 | 4 | 11 |
| TOTAL | 8,537 | 8,126 | 16,503 |

(a) "Press" revenues include contractual compensation paid in consideration for the reduced tariffs granted to press organisations as well as the compensation of press operators.

(b) La Poste Network revenues include commissions received on third-party sales (excluding Mail, Parcels and Financial Services) carried out at post office counters (such as telephone card sales) and on sales of miscellaneous products.

(c) Real Estate revenues correspond to the rentals agreed with non-Group tenants.

NOTE 5 NET BANKING INCOME

| (€ million) | S1 2015 | S1 2014 | 2014 |
|---|--------------|----------------|----------------|
| Interest and similar income | 2,563 | 2,686 | 5,245 |
| Interest and similar income on treasury and inter-bank transactions | 741 | 881 | 1,668 |
| Interest and similar income on customer transactions | 1,122 | 1,070 | 2,203 |
| Interest on available-for-sale financial assets held to maturity, and on hedging transactions | 701 | 734 | 1,374 |
| Interest and similar expenses | (992) | (1,066) | (2,052) |
| Interest and similar expenses on treasury and inter-bank transactions | 3 | (12) | (22) |
| Interest and similar expenses on customer transactions | (854) | (920) | (1,814) |
| Interest on debt evidenced by a certificate and hedging transactions | (141) | (133) | (217) |
| Commission income | 1,232 | 1,147 | 2,384 |
| Commission expenses | (133) | (135) | (280) |
| Net gains and losses on financial instruments at fair value through profit or loss | 4 | 15 | 19 |
| Net gains and losses on available-for-sale assets | 134 | 119 | 169 |
| Margin on insurance activities | 115 | 96 | 212 |
| Income and expenses from other activities | (1) | (24) | (38) |
| TOTAL | 2,922 | 2,839 | 5,660 |

NOTE 6 PURCHASES AND OTHER EXTERNAL EXPENSES

Purchases and other expenses broke down as follows:

| (€ million) | S1 2015 | S1 2014 | 2014 |
|---|--------------|--------------|--------------|
| External services and general sub-contracting | 739 | 688 | 1,552 |
| Purchases | 252 | 250 | 550 |
| Outsourced transport | 1,866 | 1,629 | 3,338 |
| International mail delivery services | 95 | 89 | 178 |
| Rental expenses | 369 | 348 | 754 |
| Maintenance and repair costs | 194 | 185 | 408 |
| Telecommunications expenses | 68 | 62 | 148 |
| Travel and assignments | 87 | 92 | 187 |
| Other expenses | 138 | 144 | 332 |
| TOTAL | 3,806 | 3,488 | 7,448 |

NOTE 7 PERSONNEL EXPENSES AND HEADCOUNT

- 7.1 Personnel expenses
- 7.2 Headcount

7.1 Personnel expenses

A breakdown of personnel expenses by type of cost is provided below:

| (€ million) | S1 2015 | S1 2014 | 2014 |
|---|--------------|--------------|---------------|
| Wages and salaries, bonuses and allowances | 4,398 | 4,381 | 8,673 |
| Pension contributions | 635 | 665 | 1,311 |
| Other social security contributions | 910 | 916 | 1,808 |
| Employee welfare costs | 104 | 103 | 218 |
| CICE revenue | (172) | (179) | (349) |
| Change in post-employment provisions | 2 | (2) | 13 |
| Change in provisions for social security contingencies and staff litigation | 59 | 12 | 18 |
| Change in other employee provisions | 12 | (33) | 74 |
| Compensation-based taxes and duties | 403 | 411 | 790 |
| TOTAL | 6,351 | 6,274 | 12,556 |

The “**Pension contributions**” line item corresponds to contributions paid in to post-employment defined benefits plans. Since the implementation in 2006 of the

new funding arrangements for the pensions of government employees, this line item primarily includes the full discharge contribution provided for by law.

7.2 Headcount

The Group’s average headcount has changed as follows:

| (full-time employee equivalent per year) | S1 2015 | S1 2014 | 2014 |
|--|---------|---------|---------|
| Average headcount | 252,793 | 257,870 | 257,890 |

NOTE 8 OTHER OPERATING REVENUE AND EXPENSES

Other operating revenue and expenses broke down as follows:

| (€ million) | S1 2015 | S1 2014 | 2014 |
|--|--------------|--------------|----------------|
| Local taxes | (98) | (96) | (150) |
| Other taxes and levies | (71) | (77) | (85) |
| TAXES AND LEVIES | (169) | (173) | (235) |
| Net depreciation | (475) | (481) | (983) |
| Impairment of goodwill | | | (8) |
| Impairment of fixed assets | (11) | (20) | (28) |
| Impairment of current assets | 15 | (3) | (20) |
| Losses on unrecoverable receivables | (11) | (6) | (18) |
| Provisions for contingencies and losses | (47) | (78) | (144) |
| Banking activities cost of risk | (73) | (72) | (163) |
| DEPRECIATION AND IMPAIRMENT | (602) | (661) | (1,363) |
| Capitalised production | 76 | 34 | 127 |
| Royalties | (12) | (10) | (19) |
| Other current operating revenue and expenses | 21 | 31 | 50 |
| OTHER OPERATING REVENUE AND EXPENSES | 85 | 54 | 158 |

Capitalised production primarily consists of IT development costs recognised as intangible assets.

NOTE 9 FINANCIAL PROFIT/(LOSS)

- 9.1 Cost of net financial debt
- 9.2 Other financial items

9.1 Cost of net financial debt

| (€ million) | S1 2015 | S1 2014 | 2014 |
|--|-------------|-------------|--------------|
| Interest expense on financing transactions ^(a) | (85) | (91) | (181) |
| Change in the fair value of borrowings and debt-related swaps ^(b) | 11 | (8) | (4) |
| Income from cash and cash equivalents ^(c) | 10 | 14 | 28 |
| TOTAL | (63) | (85) | (157) |

(a) Including interest and proceeds from the termination of debt-related derivatives.

(b) Including fair value hedges on borrowings.

(c) Including changes in the fair value of cash or financial assets.

The measurement of the bonds recognised at fair value through profit or loss using the fair value option as at 30 June 2015 takes into account the variation in the cost of credit risk experienced in the first half of 2015. This change had a positive €1.6 million impact on financial profit/(loss) as of 30 June 2015.

The change in the cost of credit risk in 2014 had a negative €15 million impact on financial profit/(loss) in the first half of 2014, and a negative €25 million impact as of 31 December 2014.

9.2 Other financial items

Other financial items primarily include the cost of discounting provision for employee benefits (€12 million in the first half of 2015, €19 million as of the first half of 2014, and €44 million for 2014).

NOTE 10 INCOME TAX

The income tax expense breaks down as follows:

| <i>(€ million)</i> | S1 2015 | S1 2014 | 2014 |
|-------------------------------------|----------------|----------------|--------------|
| Current tax (expense) | (217) | (172) | (262) |
| Deferred tax income/(expense) | 1 | 68 | 80 |
| TOTAL TAX INCOME / (EXPENSE) | (217) | (103) | (182) |

NOTES TO THE BALANCE SHEET

NOTE 11 GOODWILL

Breakdown of goodwill net book value

| (€ million) CGU | Segment | 30/06/2015 | 31/12/2014 |
|------------------------------|-----------------------|--------------|--------------|
| DPD Central Europe | GeoPost | 583 | 579 |
| Exapaq | GeoPost | 334 | 334 |
| GeoPost Espagne | GeoPost | 264 | 262 |
| GeoPost UK | GeoPost | 153 | 139 |
| Digital Services | Digital Services | 144 | 146 |
| La Banque Postale Prévoyance | La Banque Postale | 94 | 94 |
| Mediapost | Services-Mail-Parcels | 55 | 53 |
| DPD Laser Finance | GeoPost | 41 | 40 |
| Viapost | Services-Mail-Parcels | 39 | 39 |
| Tigers | GeoPost | 48 | 34 |
| Tocqueville group | La Banque Postale | 28 | 28 |
| WnDirect | GeoPost | 24 | 22 |
| Other GeoPost companies | GeoPost | 28 | 27 |
| Other banking companies | La Banque Postale | 8 | 8 |
| TOTAL | | 1,842 | 1,805 |
| Services-Mail-Parcels | | 94 | 92 |
| GeoPost | | 1,474 | 1,437 |
| La Banque Postale | | 130 | 130 |
| Digital Services | | 144 | 146 |

Change in the net book value of goodwill

| (€ million) | S1 2015 | 2014 |
|-----------------------------|--------------|--------------|
| Opening balance | 1,805 | 1,626 |
| of which : Gross amount | 1,948 | 1,761 |
| Impairment | (143) | (134) |
| Acquisitions ^(a) | 13 | 174 |
| Reclassifications and other | 2 | 2 |
| Translation adjustments | 23 | 11 |
| Impairment | | (8) |
| CLOSING BALANCE | 1,842 | 1,805 |
| of which : Gross amount | 1,977 | 1,948 |
| Impairment | (135) | (143) |

(a) Including in 2015 mainly Tigers WDM Australia for €12 million.

Impairment

Le Groupe La Poste tests goodwill for impairment annually or more frequently if events or changes indicate that it may be impaired. These tests are carried out using the procedure described in Note 15.3 of the

Notes to the consolidated financial statements at 31 December 2014.

No impairment was recorded as of the first half of 2015.

NOTE 12 INTANGIBLE AND TANGIBLE ASSETS

| (€ million) | Intangible assets | Tangible assets | TOTAL |
|------------------------------------|-------------------|-----------------|----------------|
| GROSS AMOUNT | | | |
| Balance as at 31/12/2014 | 2,590 | 11,842 | 14,431 |
| Acquisitions | 131 | 258 | 389 |
| Disposals | (3) | (122) | (124) |
| Change in consolidation scope | | 6 | 6 |
| Transfers | (1) | (5) | (6) |
| Translation adjustments | 2 | 43 | 45 |
| BALANCE AS AT 30/06/2015 | 2,718 | 12,022 | 14,740 |
| DEPRECIATION AND IMPAIRMENT | | | |
| Balance as at 31/12/2014 | (1,740) | (5,962) | (7,701) |
| Depreciation for the semester | (130) | (345) | (475) |
| Impairment | | (11) | (11) |
| Reversals on disposals | 2 | 95 | 97 |
| Change in consolidation scope | | (4) | (4) |
| Transfers | | 3 | 3 |
| Translation adjustments | (1) | (15) | (16) |
| BALANCE AS AT 30/06/2015 | (1,869) | (6,238) | (8,107) |
| NET AMOUNT | | | |
| As at 31/12/2014 | 850 | 5,880 | 6,730 |
| AS AT 30/06/2015 | 849 | 5,783 | 6,632 |
| OF WHICH FINANCE LEASES | | | |
| AS AT 31/12/2014 | | 79 | |
| AS AT 30/06/2015 | | 77 | |

NOTE 13 EQUITY ASSOCIATES AND JOINT VENTURES

| (€ million) | CNP Assurances | OPCI Akatea | Yurtici Kargo | ASENDIA | Other | TOTAL | Companies with negative net assets ^(a) La Poste Mobile |
|--|------------------|------------------|------------------|----------------------|------------|--------------|--|
| Nature of control | <i>Associate</i> | <i>Associate</i> | <i>Associate</i> | <i>Joint control</i> | | | <i>Joint control</i> |
| Balance as at 31/12/2014 | 2,830 | 30 | 32 | 51 | 133 | 3,075 | (37) |
| Group share in the profits of equity associates | 111 | 1 | 1 | 1 | 2 | 116 | (2) |
| Dividend payments | (106) | | (2) | | (31) | (140) | |
| Net change in the fair value of financial instruments and AFS securities | 12 | | | | 1 | 13 | |
| Change in consolidation scope | (6) | | | | | (6) | |
| Capital increase | | | | | (1) | (1) | |
| Transfers and reclassifications | | | | 2 | 17 | 19 | |
| Translation adjustments | (17) | | (2) | | 5 | (13) | |
| BALANCE AS AT 30/06/2015 | 2,823 | 31 | 29 | 53 | 126 | 3,063 | (39) |

(a) Recorded in "Other provisions for contingencies and loss" (see Note 16.2)..

NOTE 14 OTHER NON-BANKING ASSETS

| (€ million) | 30/06/2015 | | 31/12/2014 | |
|---|--------------|-------------|--------------|-------------|
| | Current | Non-current | Current | Non-current |
| Net unconsolidated investments ^(a) | | 264 | | 151 |
| Financial derivatives | 58 | 266 | 64 | 325 |
| Financial assets held for investment purposes | 500 | 100 | 273 | 290 |
| Other financial assets | 36 | 68 | 46 | 66 |
| TOTAL OTHER FINANCIAL ASSETS | 594 | 697 | 383 | 831 |
| Other supplies inventories | 91 | | 90 | |
| Finished and semi-finished product inventories and work in progress | 28 | | 29 | |
| TOTAL INVENTORIES AND WORK-IN-PROGRESS | 119 | | 119 | |
| Net trade receivables and related accounts | 1,937 | | 1,918 | |
| International mail receivables | 578 | | 518 | |
| CICE tax credit receivable | 475 | | 543 | |
| Other receivables | 302 | | 324 | |
| TOTAL TRADE AND OTHER RECEIVABLES | 3,292 | | 3,303 | |
| Cash equivalents | 1,743 | | 1,166 | |
| Cash at bank and cash on hand | 219 | | 224 | |
| TOTAL CASH AND CASH EQUIVALENT | 1,962 | | 1,389 | |

(a) Including as at 30 June 2015 a €58 million investment in DPD Systemlogistik (see Note 1.3), and a €20 million additional 45% stake in Ciloger. Both these companies will be consolidated in the second semester of 2015.

Financial assets held for investment purposes

These are assets acquired as part of the cash management process, where the original maturity is greater than three months. These financial assets consist primarily of bonds (€500 million as at 30 June 2015, and €413 million as at 31 December 2014), and over three months term deposits (€100 million as at 30 June 2015). As at 31 December 2014, these financial

assets also comprised €150 million of negotiable debt securities.

Financial derivatives

The "financial derivatives" line represents instruments put in place to manage the interest rate and currency risks on debt. They must therefore be looked at together with "Bonds and other financial debt". A breakdown of these derivatives can be found in Note 17.3.

NOTE 15 BANKING ACTIVITIES FINANCIAL ASSETS

| (€ million) | 30/06/2015 | 31/12/2014 |
|---|---------------|---------------|
| Customer sight loans and receivables | 846 | 838 |
| Term customer loans and receivables | 68,399 | 64,699 |
| <i>of which home loans (including non-performing receivables)</i> | <i>54,319</i> | <i>53,631</i> |
| Finance lease transactions | 1,504 | 951 |
| Securities equivalent to customer loans and receivables | 1,516 | 1,369 |
| TOTAL CUSTOMER LOANS AND RECEIVABLES | 72,265 | 67,857 |
| Sight loans and receivables from credit institutions | 275 | 200 |
| Term deposits and loans from credit institutions | 81,867 | 81,174 |
| Securities equivalent to loans and receivables from credit institutions | 1,037 | 1,941 |
| TOTAL RECEIVABLES FROM CREDIT INSTITUTIONS | 83,179 | 83,315 |
| Financial assets held to maturity | 26,062 | 28,297 |
| <i>of which Government securities and similar</i> | <i>23,709</i> | <i>25,921</i> |
| Available-for-sale financial assets | 13,169 | 12,984 |
| Financial assets at fair value through profit or loss | 13,635 | 11,029 |
| <i>of which financial assets held for transaction purposes</i> | <i>12,115</i> | <i>9,377</i> |
| <i>of which financial derivatives</i> | <i>1,520</i> | <i>1,652</i> |
| Revaluation adjustment on hedged portfolios (fair value hedge) | 181 | 231 |
| TOTAL SECURITIES PORTFOLIO | 53,047 | 52,541 |
| OTHER CURRENT BANKING ASSETS | 1,828 | 1,521 |
| BANKING ACCRUALS - ASSETS | 1,067 | 998 |
| Central banks deposits | 3,083 | 944 |
| Cash and other | 694 | 1,006 |
| TOTAL CASH AND CENTRAL BANK DEPOSITS | 3,777 | 1,950 |

NOTE 16 PROVISIONS FOR CONTINGENCIES AND LOSSES

- 16.1 Specific provisions for the Insurance and Banking activities
16.2 Other provisions for contingencies and losses

16.1 Specific provisions for the Insurance and Banking activities

As at 30 June 2015, underwriting provisions for the Insurance and Banking activities, classified as current provisions for contingencies and losses, broke down as follows:

| <i>(€ million)</i> | Home Loan Savings risk | Insurance underwriting provisions | TOTAL |
|---------------------------------|---------------------------|---|--------------|
| Balance as at 31/12/2014 | 440 | 1,787 | 2,228 |
| Addition for the year | 70 | 1,530 | 1,600 |
| Reversal for use | | (1,394) | (1,394) |
| Other movements | | (13) | (13) |
| BALANCE AS AT 30/06/2015 | 511 | 1,910 | 2,421 |

16.2 Other provisions for contingencies and losses

As at 30 June 2015, the other provisions for contingencies and losses broke down as follows:

| <i>(€ million)</i> | Employee- related disputes | Other disputes | Other | TOTAL |
|---|----------------------------------|-------------------|------------|------------|
| Non-current provisions | 63 | 19 | 90 | 172 |
| Current provisions | 53 | 86 | 446 | 585 |
| Balance as at 31/12/2014 | 115 | 105 | 536 | 757 |
| Addition for the year | 66 | 45 | 69 | 180 |
| Reversal for use | (13) | (12) | (75) | (100) |
| Reversal of provisions no longer required | (6) | (3) | | (9) |
| Discounting | | | | |
| Other movements | | | 1 | 1 |
| Non-current provisions | 107 | 39 | 128 | 273 |
| Current provisions | 56 | 96 | 404 | 555 |
| BALANCE AS AT 30/06/2015 | 162 | 135 | 531 | 829 |

Other provisions include miscellaneous risks linked to the operational activity of the Group, and a provision for the costs related to the regrouping of the Group's headquarters (see Note 1.1).

NOTE 17 BONDS AND OTHER FINANCIAL DEBT

- 17.1 Breakdown of financial debt
- 17.2 Bonds
- 17.3 Bond derivatives

17.1 Breakdown of financial debt

| (€ million) | 30/06/2015 | | 31/12/2014 | |
|--|--------------|----------------------|------------|----------------------|
| | Short-term | Medium-and long-term | Short-term | Medium-and long-term |
| Financial debt at amortised cost | 569 | 3,962 | 730 | 3,482 |
| Bonds | | 3,875 | | 3,380 |
| Finance leases | 12 | 41 | 12 | 46 |
| La Poste savings bonds | 60 | | 61 | |
| Commercial paper | 150 | | 285 | |
| Current bank facilities | 12 | | 13 | |
| Deposits and guarantees received | 331 | 26 | 353 | 26 |
| Other borrowings at amortised cost | 5 | 19 | 7 | 30 |
| Borrowings designated at fair value | | 2,069 | | 2,096 |
| Borrowings subject to fair value hedging | 510 | | | 518 |
| Financial derivative liabilities relating to bonds | 13 | | 22 | 15 |
| Other derivatives | 11 | | 4 | 8 |
| Interest accrued not due on borrowings | 160 | | 128 | |
| Medium and long-term bonds and other financial debt (non-current) | | 6,030 | | 6,120 |
| Short-term bonds and other financial debt (current) | 1,265 | | 885 | |
| TOTAL CURRENT AND NON-CURRENT | | 7,295 | | 7,005 |

17.2 Bonds

Bond debt, excluding accrued interest, changed as follows:

| (€ million) | Borrowings at amortised cost | Borrowings at fair value | Hedged borrowings | Total |
|---------------------------------|------------------------------|--------------------------|-------------------|--------------|
| Balance as at 31/12/2014 | 3,380 | 2,096 | 518 | 5,995 |
| New borrowings | 500 | | | 500 |
| Redemptions | | | | |
| Issue premium | (4) | | | (4) |
| Change in credit risk | | (2) | | (2) |
| Other changes | | (26) | (8) | (34) |
| BALANCE AS AT 30/06/2015 | 3,875 | 2,069 | 510 | 6,454 |

La Poste issued €500 million in bonds on 26 May 2015 at a fixed rate of 1.125% and a 10- year maturity (June 2025).

17.3 Bond derivatives

| <i>(€ million)</i> | Fair value as at 30/06/2015 | | Fair value as at 31/12/2014 | |
|---|-----------------------------|-------------|-----------------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| Trading derivatives at fair value through profit or loss | | | | |
| Fixed-for-floating derivatives | 306 | | 350 | 15 |
| Floating-for-fixed derivatives | | 13 | | 22 |
| TOTAL | 306 | 13 | 350 | 37 |
| Hedging derivatives | | | | |
| Fair value hedges | 18 | | 38 | |
| TOTAL DERIVATIVES RELATING TO BONDS | 324 | 13 | 388 | 37 |
| Other | | | | |
| Cash management funds derivatives | | 11 | | 13 |
| TOTAL NON-BANKING ACTIVITIES DERIVATIVES | 324 | 25 | 388 | 50 |
| Amortisable balance on interrupted hedging derivatives | | | | |
| Cash flow hedging derivatives | | 7 | | 8 |

NOTE 18 GROUP NET DEBT

- 18.1 Group net debt position
18.2 Changes to Group net debt

18.1 Group net debt position

| (€ million) | Note | 30/06/2015 | 31/12/2014 |
|---|------|--------------|--------------|
| Cash and cash equivalents (balance sheet line) | 14 | 1,962 | 1,389 |
| Debt-related derivative assets | 14 | 324 | 388 |
| Investment securities with initial maturities of over 3 months | 14 | 600 | 563 |
| Security deposits paid in connection with derivatives, recognised as assets | | 11 | 25 |
| Net financial receivable against La Banque Postale | | 685 | 634 |
| Cash and other asset items (1) | | 3,582 | 2,999 |
| Medium and long-term bonds and other financial debt | 17 | 6,030 | 6,120 |
| Short-term bonds and other financial debt | 17 | 1,265 | 885 |
| Gross debt (2) | | 7,295 | 7,005 |
| NET DEBT (2)-(1) | | 3,713 | 4,005 |
| Increase (Decrease) in net debt as at 30 June 2015 | | (292) | |

18.2 Changes to Group net debt

| (€ million) | Cross-references | S1 2015 | S1 2014 |
|---|--------------------------|--------------|--------------|
| Cash flows from operating activities | CFS^(a) | 903 | 616 |
| Cash flows from investing activities | CFS | (410) | (366) |
| Cancellation of the change in cash management financial assets | CFS | 39 | 17 |
| Cash flow from investing activities excluding the acquisitions and disposals of cash management financial assets^(b) | | (370) | (348) |
| Dividends paid to the government | CFS | (171) | (171) |
| Purchase of non-controlling interests | CFS | (5) | |
| Net financial interest expense | | (73) | (76) |
| Change in the fair value of financial instruments | | 10 | (9) |
| Impact of changes in consolidation scope on gross debt | | 3 | (1) |
| Increase in finance lease liabilities | | (4) | (2) |
| Other items ^(c) | | | 1 |
| Cash flows and change in debt from financing activities | | (240) | (258) |
| DECREASE (INCREASE) IN NET DEBT SINCE 1 JANUARY | | 292 | 10 |
| Net debt at the beginning of the period | | (4,005) | (3,805) |
| Net debt at the end of the period | | (3,713) | (3,795) |

(a) "CFS" refers to the non-banking column of the Cash Flow Statement in the consolidated financial statements.

(b) The cash flows from investing activities stand out from CFS due to the exclusion of the "change in cash management financial assets", assets deducted from the net debt calculation.

(c) The "Other items" line includes the impact of currency fluctuations on net debt, dividends paid to non-controlling interests, and subsidiaries held for sale.

NOTE 19 EMPLOYEE BENEFITS

Provisions for employee benefits have changed as follows in the first half of 2014:

| (<i>€ million</i>) | 31/12/2014 | | | | | | 30/06/2015 | |
|--|------------|--------------|------------|------------------|---------------|---------------|------------|--------------|
| | Current | Non-current | Increase | Decrease for use | Interest cost | Other changes | Current | Non-current |
| Post-employment benefits for La Poste's government employees | 17 | 493 | 3 | (9) | 5 | (46) | 17 | 446 |
| Retirement benefits for the Group's contract staff | 8 | 306 | 16 | (4) | 2 | (21) | 6 | 300 |
| Pension plans for employees of foreign subsidiaries | | 64 | 2 | (6) | 1 | 6 | | 67 |
| Post-employment benefits | 25 | 863 | 21 | (19) | 8 | (61) | 23 | 813 |
| End-of-career arrangements | 387 | 846 | 177 | (164) | 4 | | 397 | 852 |
| Severance payments | 86 | 29 | | | | | 86 | 29 |
| Long-term sick leave/long-term paid leave | 61 | 46 | | | | | 61 | 46 |
| Accrued leave | 123 | 110 | 2 | (5) | | | 121 | 109 |
| Other long-term benefits | 2 | 18 | 3 | | | | 6 | 17 |
| Other benefits | 272 | 203 | 5 | (5) | | | 275 | 200 |
| TOTAL | 683 | 1,912 | 203 | (189) | 12 | (61) | 695 | 1,866 |

NOTE 20 BANKING ACTIVITIES FINANCIAL LIABILITIES

| (<i>€ million</i>) | 30/06/2015 | 31/12/2014 |
|--|----------------|----------------|
| Sight liabilities to credit institutions | 418 | 286 |
| Term liabilities to credit institutions | 16,866 | 14,870 |
| <i>of which securities given under repurchase agreements</i> | 15,618 | 13,343 |
| TOTAL LIABILITIES TO CREDIT INSTITUTIONS | 17,284 | 15,157 |
| Special savings accounts | 113,542 | 112,974 |
| <i>of which Livret A passbook savings accounts</i> | 61,977 | 62,696 |
| <i>of which Home Loan Savings Plans and Accounts (PEL & CEL)</i> | 29,640 | 28,211 |
| <i>of which LEP savings accounts</i> | 8,002 | 8,095 |
| Sight liabilities to customers | 53,065 | 50,604 |
| <i>of which ordinary trade payables</i> | 52,381 | 50,041 |
| Term liabilities to customers | 6,327 | 3,672 |
| TOTAL LIABILITIES TO CUSTOMERS | 172,934 | 167,251 |
| Debt evidenced by a certificate | 11,005 | 11,048 |
| <i>of which certificates of deposit</i> | 5,215 | 5,770 |
| Guarantee deposits received | 1,071 | 1,591 |
| Hedging derivatives | 395 | 432 |
| Other | 1,900 | 2,071 |
| TOTAL DEBT EVIDENCES BY A CERTIFICATE AND OTHER BANKING FINANCIAL LIABILITIES | 14,371 | 15,143 |
| BANKING ACCRUALS - LIABILITIES | 1,801 | 1,995 |

NOTE 21 TRADE AND OTHER PAYABLES

| <i>(€ million)</i> | 30/06/2015 | 31/12/2014 |
|--|-------------------|-------------------|
| Trade payables and related accounts | 1,346 | 1,391 |
| Tax and social security liabilities | 1,736 | 1,829 |
| Payable to suppliers of non-current assets | 227 | 230 |
| International mail payables | 493 | 468 |
| Customer advances and deposits | 205 | 184 |
| Other operating payables | 164 | 179 |
| TOTAL | 4,171 | 4,282 |

ADDITIONAL INFORMATION

NOTE 22 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

- 22.1 Impact of banking financial instrument on net profit/(loss) and equity
- 22.2 Fair value of financial instruments recognised at amortised cost
- 22.3 Ranking of fair value assessments recognised on the balance sheet
- 22.4 Exposure to sovereign risk

22.1 Impact of banking financial instrument on net profit/(loss) and equity

| (<i>€ million</i>) | Changes in fair value | | | | Deconso- lidation and dividends | Net gain (loss) |
|--|---------------------------------|--|---------------------------------|-------------|--|--------------------|
| | Interest income (expense) | Fair value through profit or loss | Fair value through equity | Impairment | | |
| Loans, receivables and payables | 952 | | | (73) | | 879 |
| Assets held to maturity | 488 | | | | | 488 |
| Available-for-sale assets | 37 | | (154) | | 134 | 17 |
| Financial instruments at fair value through profit or loss | 92 | 5 | | | | 97 |
| TOTAL | 1,569 | 5 | (154) | (73) | 134 | 1,481 |

22.2 Fair value of financial instruments recognised at amortised cost

| (<i>€ million</i>) | 30/06/2015 | |
|--|------------|------------|
| | Book value | Fair value |
| ASSETS | | |
| Bank assets | | |
| Customer loans and receivables | 72,265 | 73,743 |
| Receivables from credit institutions | 83,179 | 83,524 |
| Held-to-maturity financial assets | 26,062 | 29,129 |
| LIABILITIES | | |
| Bank liabilities | | |
| Liabilities to credit institutions | 17,284 | 15,936 |
| Liabilities to customers | 172,934 | 172,528 |
| Debt evidenced by a certificate and other | 11,005 | 11,294 |
| Non-banking liabilities | | |
| Bonds at amortised costs and subject to fair value hedging | 4,386 | 4,985 |

22.3 Ranking of fair value assessments recognised on the balance sheet

The methods used to evaluate fair value have not changed since 31 December 2014.

(€ million)

| BANKING ACTIVITIES ASSETS | Level 1 | Level 2 | Level 3 |
|--|----------------|----------------|----------------|
| Government securities and similar | 1,039 | | |
| Bonds and other fixed-income securities | 2,889 | 8,131 | |
| Equities and other variable-income securities | 57 | | |
| Financial assets at fair value through profit or loss | 3,984 | 8,131 | |
| Interest-rate derivatives | | 560 | |
| Foreign exchange derivatives | | 19 | |
| Equity and index derivatives | | 6 | |
| Trading derivatives | | 585 | |
| Interest-rate derivatives | | 940 | |
| Fair value hedging derivatives | | 940 | |
| Interest-rate derivatives | | 105 | |
| Cash flow hedging derivatives | | 105 | |
| Government securities and similar | 1,794 | 35 | |
| Bonds and other fixed-income securities | 9,743 | 387 | |
| Equities and other variable-income securities | 804 | 280 | 125 |
| Unconsolidated investments | | 41 | 113 |
| Available-for-sale financial assets | 12,342 | 743 | 238 |
| NON-BANKING ACTIVITIES ASSETS | | | |
| Other non-current financial assets | | 587 | 110 |
| Trade and other receivables | | 3,292 | |
| Other current financial assets | 299 | 295 | |
| Cash and cash equivalents | 509 | 1,453 | |
| BANKING ACTIVITIES LIABILITIES | | | |
| Debt evidenced by a certificate | | 5 | |
| Financial liabilities designated at fair value through profit or loss | | 5 | |
| Interest-rate derivatives | | 574 | |
| Foreign exchange derivatives | | 7 | |
| Other derivative instruments | | 21 | |
| Credit derivatives | | 1 | |
| Equity and index derivatives | | 7 | |
| Trading derivatives | | 610 | |
| Interest-rate derivatives | | 395 | |
| Fair value hedging derivatives | | 395 | |
| NON-BANKING ACTIVITIES LIABILITIES | | | |
| Bonds and other financial debt | | 7,295 | |
| Trade and other payables | | 4,171 | |

ASSETS

Reclassifications from Level 1 to Level 2: €18.3 million (3 fixed-rate investments whose price are not reflected on an active market any more) and €41.8 million (following a refinement of the fair value level classification method for interest-rate derivatives).

Reclassifications from Level 2 to Level 1: €2.8 million (change to Mark to Market for 4 variable-income investments).

Reclassifications from Level 3 to Level 1: €7.6 million (change to Mark to Market for one variable-income investment).

LIABILITIES

Reclassifications from Level 1 to Level 2: None

Reclassifications from Level 2 to Level 1: None

LEVEL 3 FAIR VALUES: RECONCILIATION OF OPENING AND CLOSING BALANCES (BANKING ACTIVITIES)

| (€ million) | Assets at fair value through profit or loss | Assets designated at fair value through profit and loss | Trading derivatives | Hedging derivatives | Available-for-sale assets | TOTAL |
|--------------------------------------|---|---|---------------------|---------------------|---------------------------|-------------|
| Opening balance | | | | | 234 | 234 |
| Gains and losses recorded in income | | | | | | |
| Gains and losses recorded in equity | | | | | 6 | 6 |
| Purchases | | | | | 17 | 17 |
| Sales | | | | | (7) | (7) |
| Other movements | | | | | (2) | (2) |
| Reclassifications to or from Level 3 | | | | | (10) | (10) |
| Closing balance | | | | | 238 | 238 |

22.4 Exposure to sovereign risk

The list of sovereign exposures was prepared in accordance with the scope defined by the European Banking Authority (EBA), in other words by including the exposure data relative to regional authorities, central authorities and businesses guaranteed by the State.

The exposure shown below summarises the exposure for subsidiaries in which the Group owns an interest of 50% or more.

The Group does not have any exposure to Cyprus, Hungary and Egypt.

SOVEREIGN EXPOSURES

| (€ million) | Bank portfolio | Assets at fair value through profit or loss | Total direct exposure ^(a) | Off-balance sheet | Total direct and indirect exposure ^(b) | Exposure (as a %) |
|---------------------|----------------|---|--------------------------------------|-------------------|---|-------------------|
| Greece | | | | | | |
| Ireland | 2 | | 2 | | 2 | 0.0% |
| Italy | 577 | | 577 | | 577 | 2.1% |
| Portugal | | | | | | |
| Spain | 449 | | 449 | | 449 | 1.6% |
| TOTAL GIIPES | 1,027 | | 1,027 | | 1,027 | 3.7% |
| Germany | 2,443 | | 2,443 | | 2,443 | 8.8% |
| Austria | 23 | | 23 | | 23 | 0.1% |
| Belgium | 1,659 | | 1,659 | | 1,659 | 6.0% |
| France | 19,209 | 1,060 | 20,269 | | 20,269 | 73.1% |
| United Kingdom | | | | | | |
| Luxembourg | 18 | | 18 | | 18 | 0.1% |
| Netherlands | 401 | | 401 | | 401 | 1.4% |
| Poland | 22 | | 22 | | 22 | 0.1% |
| Slovakia | 1 | | 1 | | 1 | 0.0% |
| Slovenia | 6 | | 6 | | 6 | 0.0% |
| Switzerland | | | | | | |
| Supra-national | 690 | | 690 | | 690 | 2.5% |
| TOTAL EUROPE | 24,472 | 1,060 | 25,531 | | 25,531 | 92.1% |
| Rest of the World | 1,175 | | 1,175 | | 1,175 | 4.2% |
| TOTAL | 26,674 | 1,060 | 27,733 | | 27,733 | 100% |

(a) Direct exposure: net book value (including impairment) of the Bank's proprietary exposure.

(b) Direct and indirect exposure: direct exposure, plus indirect exposure through the guarantees granted to some of the Group's UCITS.

CHANGE IN EXPOSURE TO GIIPS^(a)

| (<i>€ million</i>) | December 2014 | | | | | June 2015 | | | |
|--|---------------|--------------|------------|--------------|--------------|-----------------------------|----------|---------------|------------|
| | Nominal value | Book value | Impairment | Maturity | Disposals | Acquisitions ^(b) | Transfer | Nominal value | Book value |
| Greece | | | | | | | | | |
| Ireland | 2 | 2 | | | | | | 2 | 2 |
| Italy | 54 | 63 | | | (1) | | | 53 | 61 |
| Portugal | | | | | | | | | |
| Spain | 396 | 416 | | | (391) | | | 5 | 6 |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS | 451 | 481 | | | (392) | | | 60 | 70 |
| Greece | | | | | | | | | |
| Ireland | | | | | | | | | |
| Italy | 1,082 | 1,107 | | (585) | | | | 497 | 515 |
| Portugal | | | | | | | | | |
| Spain | 431 | 434 | | | | | | 431 | 442 |
| FINANCIAL ASSETS HELD TO MATURITY | 1,513 | 1,541 | | (585) | | | | 928 | 958 |
| Greece | | | | | | | | | |
| Ireland | | | | | | | | | |
| Italy | | | | | | | | | |
| Portugal | | | | | | | | | |
| Spain | | | | | | | | | |
| LOANS AND RECEIVABLES | | | | | | | | | |
| Greece | | | | | | | | | |
| Ireland | | | | | | | | | |
| Italy | | | | | | | | | |
| Portugal | | | | | | | | | |
| Spain | | | | | | | | | |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | | | | | | |

(a) Direct exposure: outstanding balances (including impairment) of proprietary exposure, not including the indirect exposure represented by the guarantees granted to Group UCITS.

(b) Amounts representing the initial fair value on acquisition.

ADDITIONAL INFORMATION ON EXPOSURE TO CERTAIN COUNTRIES

Breakdown by category

| (<i>€ million</i>) | Loans and receivables | Available-for-sale assets | Assets held to maturity | Bank portfolio ^(a) | Assets at fair value through profit or loss | Balance sheet total after impairment | Off-balance sheet | TOTAL |
|----------------------|-----------------------|---------------------------|-------------------------|-------------------------------|---|--------------------------------------|-------------------|--------------|
| Greece | | | | | | | | |
| Ireland | | 2 | | 2 | | 2 | | 2 |
| Italy | | 61 | 515 | 577 | | 577 | | 577 |
| Portugal | | | | | | | | |
| Spain | | 6 | 442 | 449 | | 449 | | 449 |
| TOTAL | | 70 | 958 | 1,027 | | 1,027 | | 1,027 |

(a) The amounts shown are expressed at their net book value on the balance sheet.

Breakdown of unrealised gains and losses recorded in reserves

| (€ million) | Available-for-sale assets | Losses and gains recorded in reserves | FV ranking |
|--------------|---------------------------|---------------------------------------|------------|
| Greece | | | |
| Ireland | 2 | | L1 |
| Italy | 61 | 8 | L1 |
| Portugal | | | |
| Spain | 6 | 1 | L1 |
| TOTAL | 70 | 9 | |

Impact of impairment

| (€ million) | Total | Of which impairment | Total before impairment |
|--------------|--------------|---------------------|-------------------------|
| Greece | | | |
| Ireland | 2 | | 2 |
| Italy | 577 | | 577 |
| Portugal | | | |
| Spain | 449 | | 449 |
| TOTAL | 1,027 | | 1,027 |

Breakdown by maturity

| (€ million) | Total | Remaining life in years | | | | | | |
|--------------|--------------|-------------------------|------------|------------|-----------|-----------|-----------|----------|
| | | 1 | 2 | 3 | 4 | 5 | <10 | >10 |
| Greece | | | | | | | | |
| Ireland | 2 | 2 | | | | | | |
| Italy | 577 | 3 | 192 | 230 | 63 | 71 | 17 | |
| Portugal | | | | | | | | |
| Spain | 449 | 153 | 289 | | | | | 6 |
| TOTAL | 1,027 | 159 | 482 | 230 | 63 | 71 | 17 | 6 |

NON-SOVEREIGN EXPOSURE TO CERTAIN COUNTRIES OF THE EUROPEAN UNION

| (€ million) | Bank | Corporate | Public authority | Securiti-sation | TOTAL |
|--|--------------|------------|------------------|-----------------|--------------|
| Greece | | | | | |
| Ireland | 11 | 96 | | | 107 |
| Italy | 313 | 197 | | | 510 |
| Portugal | | 1 | | | 1 |
| Spain | 923 | 77 | | | 1,000 |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS | 1,247 | 371 | | | 1,618 |
| Greece | | | | | |
| Ireland | | | | | |
| Italy | | | | | |
| Portugal | | | | | |
| Spain | | | | | |
| FINANCIAL ASSETS HELD TO MATURITY | | | | | |
| Greece | | | | | |
| Ireland | 30 | | | | 30 |
| Italy | | | | | |
| Portugal | | | | | |
| Spain | | | | | |
| LOANS AND RECEIVABLES | 30 | | | | 30 |
| Greece | | | | | |
| Ireland | | 40 | | | 40 |
| Italy | 788 | 112 | | | 900 |
| Portugal | | | | | |
| Spain | 561 | 30 | | | 591 |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | 1,348 | 183 | | | 1,531 |

NOTE 23 RELATED PARTY TRANSACTIONS

No significant change in the nature of transactions with related parties has occurred since the 2014 year-end (see Note 35 to the consolidated financial statements at 31 December 2014).

NOTE 24 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

No significant change in off-balance sheet commitments or contingent liabilities has occurred since the 2014 year-end (see Note 36 to consolidated financial statements at 31 December 2014).

NOTE 25 POST-BALANCE SHEET EVENTS

None.

**REPORT OF THE STATUTORY AUDITORS
ON THE HALF-YEAR
FINANCIAL INFORMATION 2015**

LA POSTE SA

**Statutory Auditors' review report
on the interim financial information**

(Six months ended June 30, 2015)

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine Cedex
France

KPMG Audit
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris La Défense Cedex
France

This is a free translation into English of the statutory auditors' review report on the condensed interim consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Statutory Auditors' review report on the interim financial information

(Six months ended June 30, 2015)

LA POSTE SA
44, boulevard de Vaugirard
75015 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your annual shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of La Poste, for the six months ended June 30, 2015 ;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information provided in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, July 30, 2015

The statutory auditors

French original signed by:
Les commissaires aux comptes

PricewaterhouseCoopers Audit

KPMG Audit

Eric Bertier
Partner

Agnès Husserr
Partner

Eric Amato
Partner

Marie-Christine Jolys
Partner

