



PRESS RELEASE

Paris, 10 March 2011

LA POSTE GROUP results for 2010

REVENUE UP ROBUST STRATEGIC MODEL POSTAL WORKERS LINKED TO SERVICE QUALITY AND PERFORMANCE

At its meeting today, chaired by Jean-Paul Bailly, La Poste's Board of Directors closed the Group's consolidated financial statements for 2010. Mr Bailly thanked and paid tribute to postal workers for their daily commitment and major contribution to customer service and Group modernisation. Accordingly, he announced the payment of incentive bonuses totalling €60 million, i.e. €245 per employee (+11% on 2009). The amount is the same for each postal worker, whatever their status, profession or level of remuneration.

- Revenue up 2% to €20.9bn
- Operating profit up €27m to €784m
- Debt reduced by €713m

In euro million	2010	2009	Reported change
Revenue	20,939	20,527	+2%
EBITDA	2,037	1,867	+9.1%
Operating profit	784	757	+3.5%
Net profit for the year	550	531	+3.5%

PRESS CONTACTS

La Poste Group
 Virginie Gueidier
 Tel: 01 55 44 22 41
 Fax: 01 55 44 22 62
virginie.gueidier@laposte.fr

Jacques Gourier
 Tel: 01 55 44 22 43
 Fax: 01 55 44 22 62
jacques.gourier@laposte.fr

GLOBAL ACTIVITY UP 2%

La Poste Group generated revenue of €20.939 billion, up 2% (1.8%¹ on a like-for-like basis) compared to 2009.

- €11.538 billion came from the Mail business and its subsidiaries, down 1.2% at

¹ At constant structure and exchange rates; net of extraordinary items (change in the Home Ownership Savings provision, Echange Image Chèque fine, contribution to the deposit guarantee fund, capital gain on Visa Inc, and change in the provision for permanent impairment of AFS securities).

constant structure and exchange rates.

The decrease in Mail volume remains significant but did slow in 2010 (economic volumes down 3.5%, compared with a 5% decline in 2009). This average figure reflects contrasting trends across the various mail segments (-6.7% for private mail, -4% for the press, -0.8% for registered letters and advertising mail). The Sofipost holding company increased revenue by 4% over the previous year, to €938 million (up 2.6% at constant structure and exchange rates). In 2010, the advertising sales agency Mediapost Publicité was created as part of Sofipost. The year also saw the acquisition of Sogec.

- The Parcels/Express segment recorded revenue of €4.841 billion, up 6.3% at constant structure and exchange rates.

In the French and European Express segment, GeoPost generated revenue of €3.398 billion, up 7.3% at constant structure and exchange rates in a highly competitive market. The impact of the 9.8% increase in volumes (mainly in Germany, the United Kingdom and France) was softened by an average negative price effect of -3.9%. ColiPoste's revenue was €1.443 billion in 2010, up 4% compared to 2009. Volumes grew 2.7%, mainly due to the upturn in mail order house activity. Revenue from e-commerce was up 11% on the previous year.

- La Banque Postale continued to grow in 2010, currently boasting more than 10 million active customers, and reported consolidated net banking income of €5.215 billion. The increase in credit outstanding exceeded €6.1 billion at the end of December, with more than €10 billion of home loan issuance, and consumer loans distributed for the first time in 2010. Customer funds in savings and sight deposit accounts were up by €6.2 billion at the end of December, as withdrawals from Livret A and LEP accounts were offset by positive new money collection for home ownership savings, life insurance and sight deposit accounts. Net banking income was up 3.9% (4.9% excluding extraordinary items). This increase resulted from the strength of household lending activity and the continued rise in the number of products per customer. La Banque Postale also remains the cheapest bank on the market.

- In 2010, the Retail Brand again played a key role by distributing the Group's business products to the general public through its 17,079 outlets. Its network (post offices and facilities operated through partnerships) generated revenue of €2.483 billion, down 2.3%. But with more than €1 billion of new money collection and over €10 billion of loan production for La Banque Postale, the banking business saw steady growth across the network. As in 2009, La Poste managed to significantly cut the average waiting time at its 1,000 largest post offices. For example, for depositing and collecting mail and parcels, which account for nearly half of all transactions, the waiting time fell from 6 minutes and 50 seconds at the end of 2008 to 4 minutes and 30 seconds at the end of 2009 and 3 minutes and 20 seconds at the end of 2010.

EBITDA GAIN REFLECTS COST CONTROL MEASURES: up €170 million on 2009.

Running costs were up 2.4% at constant structure and exchange rates. Costs in the Parcels/Express segment increased in line with business levels, while those of La Banque Postale included expenses incurred on the launch of new operations (mainly consumer loans and general insurance). The other businesses and their support services saved €90 million relative to the previous year. Employee benefit and payroll expenses were also up 0.6% over the year. Provisions for the various retirement schemes were discounted to take into account the higher legal age of retirement.

Given these extraordinary expenses, a standard measure of the Group's operational performance between 2009 and 2010 is the change in EBITDA. This reached €2.037 billion in 2010, up €170 million on 2009.

STABLE OPERATING PROFIT: €784m, 3.7% of revenue

The Group's consolidated operating profit amounted to €784 million, reflecting a stable operating margin of 3.7% of revenue and profitability for all businesses.

Mail recorded consolidated operating profit of €149 million. Despite a further drop in the volume of mail handled, the mail business still enjoys a positive operating margin.

Consolidated operating profit for the Parcels/Express segment was €336 million in 2010. The operating profit margin reached 6.9% of revenue.

The contribution from the banking business to the Group's operating profit was €730 million, with the cost-to-income ratio improving by 1.5 points (2.5 points excluding extraordinary items) to 85.1%.

After taking into account net finance income and expenses and the €195 million contribution from CNP Assurances, the Group share of net profit for the year amounted to €550 million.

This result enables La Poste to propose the approval of a dividend payout of €136 million at its next General Meeting.

CLEAN-UP OF THE FINANCIAL STRUCTURE: net debt down by €713 million.

The Group invested €1.065 billion in 2010. Industrial and commercial investments accounted for €777 million of this total. In particular, four new industrial mail platforms were opened and the Group continued to modernise its post offices. Since 2008, a total of 660 post offices have been renovated, including 620 of the 1,000 busiest post offices. For its part, La Banque Postale invested €215 million, mainly in its information systems. Over the year, €73 million was spent on acquisitions, especially in the Mail business (taking over Sogec, a relationship marketing company, and buying out minority interests in Mediapost SA and Sefas Innovation).

La Poste honoured its commitment to contribute to the French economic recovery plan with €643 million invested in 2009 and 2010, notably through 4,400 construction and modernisation projects across the country.

High operational cash flows and a temporary reduction in investments last year saw net debt fall by €713 million in 2010. The higher dividend paid by La Banque Postale to La Poste and the reduction in working capital requirements contributed to this result.

The Group's consolidated equity came to €4.5 billion at 31 December 2010, which helped bring the net debt to equity ratio down to 1.08, from 1.36 a year earlier. The net debt to EBITDA ratio was 2.36 at the end of 2010.

SHARING COLLECTIVE PERFORMANCE

La Poste coped with the crisis without changing its social model: no involuntary redundancies, no compulsory part-time working, no forced transfers. In 2011, an extraordinary contribution of €15 million will be invested with the aim of improving the balance between private and professional lives for postal workers (funding local community projects, increasing childminding facilities, etc.). And on 8 March, La Poste asked its corporate partners to sign a new agreement on postal workers' housing. On top of the €31 million already allocated to social housing reservations each year, this year, a further €20 million will be spent on employees' accommodation (buying rights to social housing, offering financial support to new hires, help with bills, etc.). In February, La Poste announced plans to recruit 4,000 new staff in 2011, up 40% compared to 2010.

OUTLOOK FOR 2011

2011 will see the execution of the €2.7 billion capital increase decided at the end of 2008 and made possible by the Act of 9 February 2010. The first tranche of €1.05 billion will be paid up in April. Caisse des Dépôts will sit on the Board of Directors from the second quarter onwards.

Against the backdrop of market conditions still affected by declining mail volume and uncertainty about the financial and banking environment, the Group forecasts stable consolidated revenue along with an operating margin greater than 3% of revenue, exceeding the targets indicated in the 2010-2015 plan. The Group will continue its modernisation work with a €1.3 billion investment programme.

The capital increase and the achievement of its operational targets will enable La Poste to significantly improve the quality of its balance sheet – the gauge of its strategic ambition – to consolidate its business and social model and to accelerate innovation and development.

About La Poste Group

A limited company in 100% public ownership since 1 March 2010, La Poste is an original multi-business group structured around four activities: mail, parcels-express, banking and the La Poste retail brand. Each year, La Poste's 17,000 branches are visited by some 45 million individual and 3.5 million business customers. Its industrial systems enable it to sort and deliver 27 billion items per year. In 2010, La Poste Group generated revenue of €20.9 billion and employed more than 276,000 staff. By 2015, La Poste aspires to become a European leader in local postal and financial services. True to its values and public service missions, and backed by the commitment of its postal workers, La Poste Group aims to become a benchmark in the arena of the modern public enterprise.
