



PRESS RELEASE

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LA POSTE GROUP 1st half 2011 Results

Consolidated revenue up 1.9%

Operating profit of €504 million,
representing 4.7% operating margin

Increase in investment
and improvement in financial structure

La Poste Group reaffirms its 2011 targets

The Board of La Poste chaired by Jean-Paul Bailly met today and approved the Group's consolidated financial statements for the first half of 2011. On that occasion, Jean-Paul Bailly highlighted the sound performance of Mail, the very strong growth of Parcels-Express and the intrinsic results of La Banque which had been better than expected. "This first half confirms the soundness of our economic model and strategy based on a multi-business group," said the La Poste Group Chairman and CEO.

(€million)	30 June 2011	30 June 2010	Published change	Comparable change ⁽¹⁾
Revenue	10,789	10,590	+ 1.9%	+ 1.1%
Operating profit	504	678	- 25.7%	- 2.6%
Net profit, Group share	377	478	- 21.2%	- 2.1%

(1) excluding impact of changes in consolidation, exchange rates, home-savings provision and Greek sovereign risk

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OVERALL BUSINESS UP 1.9%

La Poste Group posted revenues of €10,789 million at 30 June 2011, up 1.9% compared to 30 June 2010 (1.1% on a comparable basis).

- Revenue from Mail and its subsidiaries was €5,939 million, down 0.1% (-0.4% at constant consolidation and exchange rates). The continuing decline in volumes (-3.4%) was generally offset by calendar effects, a favourable price impact and increase in business at Sofipost (up 8.8% during the period).
- Parcels-Express posted revenues of €2,505 million, up 7.5% (+6.5% at constant consolidation and exchange rates). This growth was mainly generated by GeoPost; its

revenues were up 8.5% to €1,771 million mainly due to a strong 6.5% improvement in volumes. ColiPoste reported revenues of €734 million, up 5.3% compared to the first half of 2010.

- La Banque Postale reported consolidated net banking income of €2,671 million, up 1.2%. Interest margin and related income remained relatively unchanged compared to 30 June 2010, and commissions (insurance, UCITS, securities, customers) rose 2.8% mainly reflecting services to customers and revenues from subsidiaries (Asset management and Insurance).

Total outstanding loans rose by 19.7% versus 30 June 2010 (up €6.8 billion) thanks to steady growth in real estate lending and consumer credit.

Sight and savings deposits grew by 2.1% since the first half of 2010 (up €6 billion), with customers opting mainly for sight deposits and cash savings to the detriment of long-term savings products.

- The La Poste Retail Brand (post offices and partnerships) posted €1,260 million in sales for Mail and Parcels-Express, down slightly by 0.3%. Total inflows (savings and loans) for La Banque Postale amounted to €5.2 billion, up 38% from 30 June 2010.

OPERATING PROFIT STEADY EXCLUDING IMPACT OF GREEK SUPPORT PLAN

Operating expenses were up 1.4% at constant consolidation and exchange rates versus the first half of 2010, a change in line with revenue growth. Running costs rose 4.8% at constant consolidation and exchange rates. This increase mainly reflects the improvement in business levels at Parcels-Express. Payroll expenses remained steady. Group consolidated operating profit was €504 million, representing an operating margin of 4.7%.

Consolidated operating profit for the Mail business was €489 million, unchanged from the first half of 2010 (8.2% operating margin, up 0.1 point). An overhauled product range and innovative services limited the impact of the structural decline in mail. Process optimisation and cost improvements kept margins steady while achieving record results in terms of quality of service.

Consolidated operating profit for Parcels-Express amounted to €206 million at 30 June 2011, with operating margin up 0.9 point to 8.2% thanks mainly to good control of operating expenses.

Banking activities contributed €245 million to Group operating profit and were impacted by the provision for the write-down of Greek securities (€158 million) corresponding to a 21% discount in the nominal value of the securities held by La Banque Postale maturing between mid-2011 and 2020, in line with the positions taken by all financial institutions participating in the Greek support plan. Cost-to-income ratio in the first half of the year was 83.6%.

The profits of the various business lines were also impacted by head office expenses as well as costs related to the obligations to provide postal coverage.

After taking into account financial profit and the contribution of equity associates, Net profit Group share was €377 million, down €101 million reflecting the after-tax impact of the provision for Greek sovereign risk (- €104 million).

INCREASE IN INVESTMENT AND IMPROVEMENT IN FINANCIAL STRUCTURE

As a result of the La Poste capital increase, to which the French government and the Caisse des Dépôts subscribed last April, La Poste Group has been able to pursue its dynamic development strategy on a more solid basis. Specifically, investment in the first half of 2011 increased to €572 million, from €447 million in the first half of 2010. In addition, in accordance with the strategic plan "Ambition 2015" and its policy decision of 7 July, the Board today decided to increase La Banque Postale's share capital (€860 million) to support its business development.

Investment in industrial and commercial activities amounted to €470 million, mainly to complete the Mail Quality Project, the construction of depots and hubs for GeoPost and ColiPoste and the conversion of 181 offices to the new Customer Service Area format. External growth amounted to €55 million during the six months, achieved in the Mail business (acquisition of Mediaprism in relationship marketing), in Express with taking control of DPD Laser (South Africa), and in the Retail Brand with the acquisition of the mobile phone operator Debitel. For its part, La Banque Postale posted €102 million in capital expenditure, largely for IT systems.

OUTLOOK

After a first half marked by performance in line with targets, the Group is continuing to implement its Ambition 2015 plan. The economic slowdown in Europe and movements impacting financial markets, however, are creating an uncertain outlook for business in the second half. The Group reaffirms its target of achieving an operating margin of more than 3% for the year 2011.

About the La Poste Group

A limited company wholly owned by public sector institutions since 1 March 2010, La Poste is a unique model of a multi-business group structured around four businesses: Mail, Parcels-Express, La Banque Postale and the La Poste Retail Brand. Each year through 17,000 points of sale La Poste services 45 million private customers and 3.5 million business clients. Its industrial facilities allow it to process and deliver 27 billion items a year. In 2010, La Poste Groupe achieved €20.9 billion in sales with a workforce of over 276,000 employees. Its ambition is to become, by 2015, a European leader in local postal and financial services. True to its values and its public service missions, and on the strength of the commitment of its entire staff, La Poste Group aims at being a benchmark in public-sector modernisation.
