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LA POSTE GROUP RESULTS OF THE FIRST HALF OF 2010

LA POSTE GROUP HAS IMPROVED ITS PERFORMANCE COMPARED TO THE 1ST HALF OF 2009 AND HAS REVISED ITS BUSINESS PROSPECTS AND RESULTS UPWARDS.

REVENUE INCREASED BY 2.7%.

OPERATING COSTS UNDER CONTROL.

OPERATING PROFIT INCREASED TO 678 MILLION AND THE OPERATING MARGIN TO 6.4%.

Meeting today under the chairmanship of Jean-Paul Bailly, the Board of Directors of La Poste has closed the Group's consolidated financial statements for the first half of 2010.

KEY FIGURES

€ million	30 June 2009	30 June 2010	Change as reported	Change like-for-like *
Revenue	10,274	10,590	+3.1%	+2.7%
EBITDA	901	1,160	+29%	+26%
Operating Profit	453	678	+50%	+55%
Profit for the year attributable to equity holders of the parent	388	478	+23%	
Operating margin	4.4%	6.4%	+ 2 points	

* At constant scope and exchange rates; excluding changes in the Home Ownership Savings provision; excluding capital gain on the sale of Visa Inc. securities



THE GROUP'S BUSINESS

The consolidated revenue of the La Poste group reached €10,590 million, up by 3.1% compared to the first half of 2009 (+ €316 million) and by +2.7% on a like-for-like basis. The drop in mail volumes remains significant (-3.7%), but less than expected, while the Parcels/Express business had a very rapid recovery and La Banque Postale continued its development.

- **Mail and its subsidiaries had revenue of €5,943 million, down by 0.9% at constant scope and exchange rates.**

The structural drop in mail traffic continued, but at a less sustained rate than at the beginning of 2009. In the first half of 2010, volumes were down by 3.7% compared to the first half of 2009. Over 12 months, the drop in the number of items reached -4.4%, against -4.7% at the end of December 2009.

The drop in volumes thus impacted revenue by - €175 million, partially compensated by the residual impact of price increases occurring in 2009 (+ €35 million), by calendar effects (+ €55 million) and by the development of services to customers and other activities carried out within the Sofipost holding company (+ €32 million).

- **Parcels/Express had revenue of €2,330 million, up by 6.2% at constant scope and exchange rates.**

All of the subsidiaries of Geopost in France (Chronopost and Exapaq) and in Europe (DPD, SEUR, etc.,) had significant increases in business, driven by the growth in trade and a growing market share. The increase in volumes reached 10%, but intense competition also brought pressure on prices. GeoPost's revenue thus stood at €1,633 million, up by 7.4% at constant scope and exchange rates.

The volumes handled by ColiPoste in the first half of 2010 increased by 2.4%, resulting in a 3.4% increase in its revenue compared to the first half of 2009, to reach €697 million. Revenue coming from e-commerce again had double-digit growth this year (+12%).

- **La Banque Postale is continuing its development: Net Banking Income increased by 7.6% on a comparable basis, reaching €2,640 million.**

This increase is in comparison to a first half of 2009 marked by the immediate aftermath of the financial crisis. The interest margin and related income increased by €77 million compared to 30 June 2009, representing 6.4%. Remuneration on centralised assets (Livret A and centralised LEP and LDD accounts) dropped by €16 million compared to 2009, mainly due to the drop in average customer funds. On the other hand, commissions (insurance, UCITS, securities and customer) increased by €117 million, mainly coming from life insurance and services to customers.



Savings assets and sight deposits reached €280 billion at the end of June 2010, up by 4.5 billion compared to 30 June 2009.

The first half of 2010 also saw outstanding loans increase. Production of property loans was up by 16% compared to last year, while the consumer-credit business is recovering.

- **The contribution of the network of post offices to the Group's commercial activity remains essential.**

Over the half-year, the network of post offices made sales generating more than 28% of ColiPoste's revenue, more than 18% of Mail's revenue and 12.5% of Chronopost's revenue. La Poste Retail Brand made €1,277 million of sales for Mail, Parcels/Express and third-party products, practically stable on 30 June 2010 compared to 2009. However, the property loan business in post offices is continuing to grow, with more than €4.2 billion of production over the first six months.

CHANGES TO COSTS

The Group's operating expenses stood at €9.9 billion at the end of June 2010. At constant scope and exchange rates, they were up by 0.4%, for business that increased by 2.7%. Personnel costs are stable (+0.5% for La Poste, excluding changes in provisions and the impact of the pensions reform of 2005). Purchases and other external costs grew in the subsidiaries because of the increase in activity, while they dropped by 4.8% at La Poste.

CHANGES IN PROFITABILITY

The Group's operating profit stood at €678 million, representing an increase of 55%, on a comparable basis, compared to 30 June 2009. All activities contributing to operating profit saw an improvement compared to 30 June 2009. **The operating profit margin stood at 6.4% of revenue, up by 2 points compared to the first half of 2009**, returning to the level of June 2008.

The consolidated operating profit for Mail stood at €240 million. The programme to vary operational expenditure led to a 1.4% drop in costs on a like-for-like basis, thus improving the operating profit margin, which reached 4% during the first half-year.

The consolidated operating profit of Parcels/Express stood at €171 million during the first half of 2010, up by 5% at constant scope and exchange rates. The operating profit margin stood at 7.3% during the first half of 2010.

La Banque Postale contributed €426 million to the Group's operating profit.

After including financial earnings and the contribution of CNP Assurances, which reached €101 million, **the Group's consolidated net profit stood at €478 million, up by 23.2% compared to the first half of 2009.**



THE FINANCIAL STRUCTURE

On 30 June 2010, the Group had made **€337 million of internal investments and devoted €35 million to external growth, divided between the "industrial and commercial" businesses (€296 million) and La Banque Postale (€76 million)**. The principal part of investments is programmed for the second half-year.

These investments, together with the interest and dividends, were self-financed by an EBITDA of €1,160 million. Net debt had been reduced on 30 June 2010 compared to 31 December 2009.

2010 PROSPECTS REVISED UPWARDS:

The Group set a target of stabilising its business in 2010 and aiming for profitability close to that of 2009. Based on the results of 30 June, the Group now contemplates an increase in its consolidated revenue of 1 to 2%, and an operating profit, excluding non-recurring items, similar to that of 2008.

The results of the first half of 2010 therefore confirm the business plan associated with the "Ambition 2015" strategic plan.

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