



LE GROUPE LA POSTE

COMMUNICATIONS DEPARTMENT
PRESS OFFICE

PRESS RELEASE

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“La Poste 2020: Conquering the Future” Financial business plan and Business Unit action plans

In line with the schedule unveiled on 28 January, Philippe Wahl, Chairman and Chief Executive Officer of Le Groupe La Poste, today presented the latest component of the strategic plan named “La Poste 2020: Conquering the Future” to the Board of Directors.

This component includes the Group’s financial business plan for 2020 and the action plan of each of its five Business Units: Services-Mail-Parcels, La Banque Postale, GeoPost, La Poste Network, and Digital Services.

After a divergence in its economic model in 2013, La Poste is taking the necessary steps towards restoring good economic health, guaranteeing the future of the company and its employees, through this strategic plan based on development, and the efforts of all concerned

1. Restoring good economic health

In 2013, Le Groupe La Poste saw its economic model diverge and generate negative cash flow for the first time. In an environment with decreasing mail volumes and durably low interest rates, the Group designed a new financial business plan to return to generating the cash flows necessary to finance its operating activities. For La Poste, this goal entails accelerating all of its high-priority action drivers, including:

- **Development**, by accelerating the existing business activities of each of the Business Units and conquering new territories;
- **Performance**, by controlling expenses, particularly through a specific effort to reduce costs at the headquarters and adapting operating costs to changes in business activities;

- **Synergies and cooperation between the Business Units to further development**, in particular by implementing five shared high-priority projects on e-commerce, urban logistics, modernisation of public action, energy transition and knowledge of individual customers.

In view of this, La Poste expects **an increase in organic revenue of around 2% per year on average** over the period to reach more than **€25 billion by 2020**.

The Group's operating profit will amount to around €1.9 billion, excluding external growth, thanks to the combined effects of its development, the significant reorganisation of its processes and the decreasing of its operating costs.

To support its development, Le Groupe La Poste will dedicate approximately €6 billion to capital expenditures in the period, and around €2 billion to external growth.

2. Business Unit action plans

The Services-Mail-Parcels Business Unit is continuing its Universal Postal Service mission with a high standard of quality.

It plans to develop new home services by making the network of postmen the premier connected network for local services. It aims to become the privileged partner in e-commerce and a major player in urban logistics. La Poste also wants to enhance "media mail" by integrating advertising mail into a multimedia offering. La Poste intends to simplify the lives of French people by offering them useful innovations: combined Mail-Parcels range for documents and merchandise, parcel collection from household mailboxes, home delivery options, etc.

The Services-Mail-Parcels Business Unit anticipates a 6% to 7% decline in mail volumes per year over the period, but aims to limit the decrease in its revenue and maintain its operating profit at €400 million until 2020 by developing parcels, increasing rates within the framework defined by ARCEP, innovating and offering new postmen's services.

The GeoPost Business Unit plans to bolster its positioning in the express market in France and to develop its combined network (toB and toC) in Europe. GeoPost also intends to reproduce its European model in other key regions around the world, while seeking to connect these regions to the European continent. It will expand its service offerings: interactive delivery, developing pick-up and drop-off points, Saturday delivery in Germany, Sunday delivery in the United Kingdom, return solutions in Germany, developing Pickup and rolling-out a network of automated postal machines with Neopost.

The GeoPost Business Unit forecasts an average 6.6% increase per year in its revenue, driven by growing volumes, to nearly €7 billion by 2020 at constant scope. Accelerating its development will allow GeoPost to deliver approximately €540 million in operating profit in 2020.

The La Poste Network Business Unit aims to become a benchmark in service and commercial development while carrying out its public service missions. The Business Unit will prioritise banking and serving each of the Group's Business Units with numerous local retail outlets, particularly in urban areas, implementing new partnerships (urban Relais Poste outlets) and new post office layouts, or even creating new spaces for professional customers. In rural and semi-rural areas, the Network will increase the pooling of its resources through innovative partnerships. The Network will also simplify offerings and customer pathways within its retail outlets. La Poste Mobile, which is distributed in post offices, aims to have more than 2 million customers by 2017, and will continue its development with innovative offerings to best suit customers' interests.

La Banque Postale plans to speed up its development in all of its markets: private individuals, professionals, corporations and local authorities. For example, by the end of the plan, it will have deployed 1,000 advisors for high net worth customers and 1,000 advisors for professional customers throughout the country. At the same time, it will continue its banking accessibility public service mission while upgrading it. La Banque Postale is currently setting up a single management structure with La Poste Network, aiming to bring banking responsibility as close to customers as possible in post offices. With a plan to invest heavily in information systems and digital, La Banque Postale will finish integrating its channels into a complete omni-channel environment.

La Banque Postale aims to increase its revenue by 3.3% on average per annum to reach €7 billion in NBI by 2020. With this commercial development and control of costs and risks, La Banque Postale has set a target of €1.5 billion in operating profit by 2020.

The newly created **Digital Services Business Unit** forecasts a 35% increase in revenue to more than €600 million (excluding external growth) by 2020, falling into three major focus areas: the digital transformation of both the companies' operational processes and their customer relations, simplifying the customer experience online and developing online market services, and launching a service platform for very small companies and SMEs.

The Business Unit's operating profit is expected to reach €65 million by 2020.

It has also set a goal of over €1 billion in total revenue by 2020 (after external growth).

The Digital Services Business Unit is building the first individual customer database in France and developing new everyday digital service platforms. As a trusted third party, La Poste will be offering each French person a digital identity, a laposte.net email address and a digital safe, as part of a public utility mission. To incorporate the digital revolution into the Group, La Poste will enable each postal worker to adopt his or her own culture, methods and useful tools both for personal use and to support customers.

3. A strategic development plan that involves all stakeholders

Faced with the challenges involved in both developing new business activities and changing traditional ones, La Poste must evolve rapidly and carry out in-depth changes with the support of all its stakeholders, the most important of which are employees and the French government.

- **Postal workers:** development to serve postal workers. Building a professional future for everyone, providing visibility, increasing employability - these goals also meet postal workers' expectations. During the timeframe of the 2014-2020 strategic plan, Le Groupe La Poste is committed to making unprecedented training efforts to encourage all forms of career development, including new skills, new jobs and new career paths, while continuing to enhance the quality of life at work of all its employees. These challenges are central to Le Groupe La Poste's concerns and the negotiations that are currently taking place with unions.
- **Fair compensation for public service missions:** public service is at the core of Le Groupe La Poste's model, and the Group wants to invest in new areas of public utility. Fair compensation for public service missions will be essential to support the company's efforts to restore the convergence of its economic model as well as a **funded Universal Postal Service** that maintains a high level of service under the framework defined by the regulator. In October, the public service missions will be jointly assessed by the stakeholders of Le Groupe La Poste.

Le Groupe La Poste is building a high-performance, multi-business and omni-channel model for its customers and for postal workers, based on developing its Business Units, innovation, adapting its costs to its level of business activity, external growth and the efforts of all stakeholders.

This model will allow the Group to regain good economic health and to finance its development in a sustainable manner, in the service of - and close to - everyone, everywhere, every day.

Le Groupe La Poste is invested in the future, and is founding its development on strong values, alongside all of its employees.

This is what its new strategic plan, "La Poste 2020: Conquering the Future", is all about.

Le Groupe La Poste

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A French public limited company with 100% public capital since 1 March 2010, La Poste is an original group model organised around five Business Units: Services-Mail-Parcels, La Banque Postale, La Poste Network, GeoPost and Digital Services. The Group operates in more than 40 countries on four continents. Every day, the 17,000 public outlets of La Poste, the number 1 local commercial network in France, welcomes 1.7 million customers. La Poste delivers 25 billion items per year across the world (letters, printed advertising and parcels), six days a week. In 2013, Le Groupe La Poste made €22.08 billion in revenue, 17% of which was international, and employs more than 266,000 employees. The goal of Le Groupe La Poste's strategic plan, "La Poste 2020: Conquering the Future", is to accelerate the development of its five Business Units and to conquer new territories. La Poste believes that the human factor and trust are vital to its customer relations. Thanks to the convergence of its networks, available for everyone, everywhere and every day, La Poste helps its customers simplify their future.