



Paris, 27 August 2009

**LA POSTE GROUP RESULTS
FIRST HALF 2009**

**AFFIRMATION OF MULTI-BUSINESS STRATEGY TO SAFEGUARD GROUP PROFITABILITY:
MAIL OPERATING MARGIN DOWN, IMPROVED PERFORMANCE BY LA BANQUE POSTALE
AND SUSTAINED PROFITABILITY AT PARCELS/EXPRESS.**

- Group revenue over the half down on the back of a sharp decline in Mail volumes.
- Improved quality of services.
- Continued investment in modernisation and contribution to the economic stimulus plan.

Revenue: €10,274 million
Operating margin: 4.4% of revenue
Profit attributable to equity holders of the parent: €388 million

Chaired by Jean-Paul Bailly, today's meeting of the Board of Directors of La Poste approved the consolidated financial statements of the Group's for the first half 2009.

KEY FIGURES

€ millions	30 June 2008*	30 June 2009	Change as reported	Change like-for-like*
Revenue	10,512	10,274	-2.3%	-2.9%
EBITDA	1,012	895	-12%	-13%
Operating Profit	683	453	-34%	-37%
Profit attributable to equity holders of the parent	481	388	-19%	
Operating Margin	6.5%	4.4%	- 2.1 points	

* Adjusted 2008 financial statements

** At constant scope and exchange rates; excluding changes in the Home Ownership Savings provision; excluding change in Livret A remuneration mechanism.

After accounting for depreciation, provisions and the cost of risk, **operating profit was € 886 million, down 22% from 2007 on a comparable basis. The operating margin was 4.3% vs. 6.3% in 2007.**

1) GROUP BUSINESSES ACTIVITY DOWN

The activities of the various businesses across the Group's were hit by the challenging economic climate over the first months of the year and by the accelerated structural decline in Mail volumes.

La Poste Group posted consolidated revenue of €10,274 million, down 2.3% on the first half of 2008 (-€238 million) and down 2.9% on a comparable basis.

- **At 30 June 2009, revenue from Mail and its subsidiaries amounted to €5,668 million, down 4.8% at constant scope and exchange rates.**

The trends seen in 2008 have strengthened since the start of 2009: **the decline in the economic volume of Mail (excluding subsidiaries of the Sofipost holding company) amounted to 6.2%**, including a 4.4% fall in volumes, a 0.7% negative calendar effect (one business day less) and a 1.1% negative product mix effect.

These negatives factors were not offset by price increase, which had an average 1.3% positive impact over the half (with a one eurocent stamp price increase on 1 March 2009).

All categories of mail (bulk mail, single mail pieces, direct marketing and press) were affected by this trend.

On the other hand, mail delivery performance continued to improve over the first half: 84.6% of first-class letters were delivered the next-day (D+1), representing a 0.8 percentage point improvement on the first half of 2008. In the service offering subject to performance guarantees (Tem'post G2), delivery performance was 96.5%, beating the customer performance guarantee of 95%.

- **Parcels/Express recorded revenue of €2,145 million at 30 June 2009, also down 4.8% at constant scope and exchange rates.**

The global nature of the economic crisis affected all Geopost markets, the Group's Express subsidiary. It posted revenue of €1,480 million in the first half, down 6.3% at constant scope and exchange rates. The fall-off was particularly marked in Germany (sales down €35 million on the first half of 2008) and Spain (down €22 million).

Meanwhile, ColiPoste's activity (B2C and C2C in France) held up, with revenue only declining by 1% to €665 million.

The development of e-commerce (+22%) represents a strong growth driver.

ColiPoste's two-day delivery (D+2) performance rose to 93.5% in the first half of 2009, up 1.1 percentage points on 30 June 2008.

- **La Banque Postale continued to grow: net banking income rose 3.2% on a comparable basis to €2,441 million.**

As expected, following the exceptional circumstances created by interest rates and the financial crisis in 2008, new money collection was down at La Banque Postale. However, the opening up of the Livret A hasn't yet significantly erode its customer base. Savings and sight deposits grew at an annual rate of 8.1% to €275.5 billion at 30 June 2009, underpinned in particular by new funds from institutional investors and companies.

La Banque Postale continued to expand the sales of products to customers and thereby saw sustained growth in the number of active customers, in line with its target of 10 million at end-2010.

Its market share in property loans rose, with 9% more lent than in 2008.

- The customer interaction by the 17,095 post offices **demonstrated the contribution of the La Poste Retail Brand to the development of the Group's various businesses.**

In the first half, the La Poste Retail Brand generated a total of €1.27 billion in revenue for the Group, namely 29% of ColiPoste's revenue, 13% of Chronopost's and 18% of Mail's. This revenue was down 3.4% on the first six months of 2008. In the first half, La Poste Retail Brand actively contributed to the development of La Banque Postale, in terms of selling additional products to customers, generating new money collection of savings and expanding lending.

- **La Poste Group's scope increased compared to first half of 2008.**

It now includes Extelia, the desktop publishing subsidiary within Sofipost (holding company for Mail subsidiaries), and five new Seur franchises in Spain for Geopost. In all, the new subsidiaries contributed €84 million to the growth in Group operating income.

2) TIGHT REIN ON COSTS

In this challenging climate, La Poste acted to safeguard its operating margin by implementing a cost savings plan designed, firstly, to target operating expenses at all businesses in order to keep them in line with business activity and, secondly, cross-company costs to optimise synergies and cut overheads.

Early signs of this were seen during the half. Operating expenses have now stabilised and even fallen by 0.6% at constant scope and exchange rates.

For their part, purchases and external expenses were down 4.9%, also at constant scope and exchange rates. Employee benefit and payroll expenses (€6.4 billion) are under control, edging up 0.4%.

3) CHANGE IN PROFITABILITY

Given the above figures, EBITDA amounted to €895 million at 30 June 2009, down €117 million on 30 June 2008.

Net of depreciation, amortisation, provisions and the cost of risk, the Group's operating profit came to €453 million. The operating margin was accordingly 4.4% of revenue, unchanged on end-2008, although 2.1 percentage points down on 30 June 2008.

Since the start of the year, Mail has been implementing plans to adapt its cost base to changing volumes in order to respond to its falling margin, which has halved compared to 30 June 2008. Despite this difficult climate, Sofipost's margin has improved by over 7% on the first half of 2008.

Cost savings made in the first half by both ColiPoste and GeoPost made it possible to stabilise the operating margin close to levels achieved in the first half of 2008.

As for La Banque Postale, the banking business made a €305 million contribution to the Group operating profit. In addition, CNP Assurances added €92 million to net profit, €15 million down on the first half of 2008.

Following inclusion of net finance income and expenses, which in particular included the impact of debt revaluation pursuant to IFRS, the **profit attributable to equity holders of the parent amounted to €388 million.**

4) STABLE FINANCING BASE

Cash flow amounted to €633 million at 30 June 2009.

The Group was thus able to **invest €572 million** in the first half without having to increase its net debt, which nevertheless remained at an historically high level of €5.7 billion.

Internal investments reached €524 million, up €73 million on the first half of 2008. This increase reflected the accelerated implementation of modernisation projects, in particular as part of the economic stimulus plan.

€48 million was allocated over the first half to acquisitions and in particular GeoPost's purchase of new Seur franchises in Spain and Sofipost's purchase of direct marketing companies.

Group equity now totals €3.7 billion, thus contributing to the change in the **gearing ratio** (net debt to equity), which stood at **1.52 at 30 June 2009 compared to 1.75 at end-2008.**

5) OUTLOOK

- The structural downward trend in Mail volumes is set to continue over the coming months. On the other hand, the fall-off in Parcels and Express sales has slowed since April. Growth in the banking business should continue. Overall, the Group expects to see businesses' activity fall by around 3% over full-year 2009, in line with the performance posted in the first half.
- Confirmation of commitments made:
 - €200 million cost savings plans for end-2009 confirmed to safeguard the Group's profitability.
 - Continuation of the investment programme connected with the economic stimulus plan: €600 million is to be invested in 2009 and 2010 to modernise post offices and speed up the adaptation of the Group's industrial centres.
- The second half of the year will be key for La Poste's future: continuation of the strategic work undertaken in early 2009; updating of the Group's business plans up to 2015; preparation for a change in the Company's legal form and a capital increase that should fund the Group's development and consolidate its financial position.

MEDIA RELATIONS

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