



LE GROUPE LA POSTE

DIRECTION DE LA COMMUNICATION
SERVICE DE PRESSE

PRESS RELEASE

Paris, 28 February 2013

2012 RESULTS FOR LE GROUPE LA POSTE

Targets met and solid results in 2012

A difficult economic environment that will continue in 2013

- **Consolidated revenue: €21.658 billion**, up 1.5% (+1% restated ¹)
- **Operating profit: €816 million** (+1.6% restated)
- **Net profit Group share: €479 million**, stable (-4.3% restated)
- **A strengthened Group's financial structure:** second payment of the capital increase (€1.050 billion), net debt reduced by €1.1 billion, Net Debt/Equity ratio² brought down to 0.46 (0.67 in 2011)
- **More than €1 billion in capital expenditure**
- **New records in quality of service**
- **Social dialogue and framework agreement** on quality of life at work signed on 22 January 2013

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This Thursday, 28 February 2013, the Board of Directors of Le Groupe La Poste, which met under the chairmanship of Jean-Paul Bailly, adopted the Group's consolidated financial statements for the year ended 31 December 2012. The Chairman indicated that in a difficult environment, the motivation of all postal workers enabled the Group to keep developing and ensuring La Poste customers the best quality of service. He highlighted that 2012 was marked by the Major Dialogue, based on renewing the social contract within the Group. Backed by the support of its shareholders, the commitment of its employees and the trust of its customers, Le Groupe La Poste is in a position not only to address the decrease in mail volumes and the difficult economic environment, but also to sustainably grow.

INVESTOR RELATIONS

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¹ Restated data from changes in consolidation and exchange rates, provisions for Greek risk, home-savings provision and check image fine

² Net Debt, excluding Banking Activities (ND) / Equity Group share (E)

KEY FIGURES as of 31 December 2012

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Le Groupe La Poste

€ million	31/12/2012	31/12/2011	Change	
			Published	restated
Revenue	21,658	21,341	+1.5 %	+1%
Operating profit ³	816	670	+21.8 %	+1.6%
<i>Operating margin</i>	3.8 %	3.1 %	+0.7 pts	
Net profit Group share	479	478	+ 0.2%	-4.3%
<i>Net margin</i>	<i>2.2%</i>	<i>2.2%</i>		
Financial Strength				
Net Debt (ND) ¹	3,460	4,544	-24 %	
Equity Group share (E) ¹	7,470	6,783	+10 %	
ND/E	0.46	0.67	-0.2 pt	
Funds from operations (FFO) ⁴	959	1,217	-21 %	
FFO/ND	27.7%	26.8%	+0.9 pt	

In 2012, Le Groupe La Poste enjoyed a dynamic of growth and innovation in all of its Business Lines, particularly in digital products and services. Improving quality of service and cost control were central to the Group's priorities, which in addition evolved in an internal environment marked by the implementation of the Major Dialogue, a listening cycle on well-being at work involving all employees.

LE GROUPE LA POSTE PERFORMANCE

Le Groupe La Poste's consolidated revenue amounted to €21,658 million in 2012, up 1.5% compared to 2011 (+1% restated), as a combined result of a decrease in Mail revenue marked by declining volumes, continued growth in Parcels-Express and an increase in net banking income.

Consolidated operating profit for the Group came to €816 million, up 21.8% compared to 2011 (+1.6% restated).

After taking into account -€284 million in financial profit/(loss), income tax (-€231 million) and the share of profit of equity associates (+€180 million), the **net profit Group share** is stable at €479 million (-4.3% restated).

Le Groupe La Poste will offer to pay a €171 million dividend at the General Meeting.

³ Provision for Greek risk: €17 million in 2012 versus €241 million in 2011. As of 31/12/2012, the Group no longer holds any Greek securities

⁴ Funds from operations (FFO) = EBITDA + dividends received - taxes paid - financial expenses paid

Capital expenditure and external growth

The Group made €1,065 million in gross capital expenditure, primarily targeted to modernising industrial facilities, continuing the renovation of post offices and more generally, the real estate assets. This capital expenditure were also dedicated to strengthening the Express European and international network, modernising information systems, particularly that of La Banque Postale, and equipping the Group with vehicles (electric vehicles in particular).

At the same time, the Group led an active policy of targeted acquisitions, in line with its strategy, with €139 million.

It therefore continued its diversification policy in the growing marketing communications and e-commerce logistics markets. In this latter business, with the acquisition of MixCommerce, Orium and Morin Logistic, Le Groupe La Poste offers its customers a complete range of logistics solutions, and has become a major player in e-logistics in France. Additionally, with the acquisition of the companies Adverline and Cabestan, the Group's digital offering now groups together all of the expertise associated with multi-channel customer relationship management.

In the cross-border mail market, Le Groupe La Poste and Swiss Post created Asendia, a joint venture which merged the business activities of the two operators in international mail and is present in 15 countries via 25 locations.

Furthermore, in order to strengthen its network in the parcels/express market in Europe, the Group pursued the acquisition of companies in the Spanish network Seur and took control of the franchiser Seur SA, now fully consolidated, and acquired three companies, GTR Logistics in Hungary and Biocair and Worldnet in the United Kingdom.

Lastly, La Banque Postale entered into exclusive negotiations to purchase Banque Privée Européenne, an acquisition that should be finalised during the first half of 2013, adding to its offering for high net-worth customers.

A strengthened financial structure and a growing capacity for development

As part of Le Groupe La Poste's €2.7 billion capital increase to which the French government and Caisse des Dépôts subscribed, a second tranche of €1.050 billion was paid in April 2012 (after payment of the first tranche of the same amount in April 2011). The third and last payment in the amount of €600 million will be made in Spring 2013 by exercising equity warrants.

Equity Group share totalled €7.470 billion as of 31 December 2012 and increased €687 million after allocation of income and distribution of a €144 million dividend to shareholders. The Group's net debt for 2012 amounted to €3.460 billion, i.e. a decrease of nearly €1.1 billion compared to 31 December 2011. The Net Debt / Equity ratio amounted to 0.46, compared to 0.67 at the end of 2011 and 1.08 in 2010.

In addition, in November 2012, Le Groupe La Poste raised €750 million through a 12-year bond, paying a 2.75% coupon, giving the Group a stronger capacity for growth.

CONTINUOUS MOBILISATION FOR QUALITY OF SERVICE

New quality of service records were reached in 2012: 87.9% of priority mail was delivered the day after drop-off and 92.7% of Lettre Verte in two days. While record volumes were achieved by ColiPoste with more than 2 million parcels handled on 17 December, up + 9.4% compared to the December 2011 peak, ColiPoste's quality of service has improved again to reach 94% of parcels delivered in two days (including during the end of year peak). The average speed to access services in post offices also increased: waiting times in the 1,000 largest post offices has gone down to 2.5 minutes⁵ to pick up or drop off mail and parcels and 89% of customers are served in less than 5 minutes for a short transaction such as registered letter.

Le Groupe La Poste came in first at the Podium de la Relation Client (Customer Relations Podium) in the Services Corporation category⁶. The Group was also selected as the No. 1 responsible ordering party and was cited as "an example to follow" for its responsible purchasing policy⁷.

PERFORMANCE OF THE BUSINESS LINES

Mail

Revenue for Mail totalled €11,410 million, a 1.4% decrease compared to 2011 (-1.9% restated).

The acceleration of volume decline (-5.6% in equivalent business days) was partially offset by the full year effect from the July 2011 rate increase and the positive impact from the presidential and legislative elections. Sofipost continued its growth with a 12% increase in revenue (+5.1% organic growth). All divisions - Mediapost, Docapost, Viapost, and Asendia - are growing. Sofipost's acquisition strategy allowed Mail to strengthen and complement its expertise in the business communication, desktop publishing, logistics services and international mail markets.

Mail's **operating profit** reached €684 million, versus €757 million in 2011, as a result of reduced volumes. Sofipost contributed €66 million, a 46% increase.

Parcels-Express

Revenue for Parcels-Express grew 7.3% (+4.3% restated) to reach €5,580 million, supported by a 5.6% growth in volumes and innovative delivery service offerings.

In the parcels market, ColiPoste's revenue amounted to €1,554 million, up +1.4% (published and restated) thanks to growth in volumes backed by good performance of the e-commerce market and Colissimo products in particular.

In the express market in France and in Europe, GeoPost developed significantly with revenue amounting to €4,026 million, a 9.8% increase (5.5% organic). Volumes continued their dynamic growth. Except for the markets in Southern Europe, growth was sustained in all countries, and particularly in Great Britain, as well as in Russia and Eastern European countries.

Parcels-Express **operating profit** increased 4.1% to €403 million. The growth in volumes was partially offset by price pressure and the change in operating costs in Germany.

⁵ Short counter transactions in the 1,000 largest post offices

⁶ Bearing Point and TNS Sofres survey with 4,000 customers of more than 180 companies and administrations

⁷ Survey conducted with 120 large corporations, published in Challenges (June 2012)

Banking activities

Net Banking Income for **La Banque Postale** reached €5,241 million, up 2.5% restated compared to 2011, demonstrating the strength of La Banque Postale's model in a context of historically low rates and in a slowing credit market.

La Banque Postale collected €1.5 billion in savings with a sharp increase in Livret A passbook savings accounts and positive collection in life insurance in a declining market.

In 2012, La Banque Postale entered into the market of local authorities financing, with the gradual launch of a complete short and medium/long-term loan offering. Furthermore, new products and services in financing for legal entities, health insurance and property insurance were rolled out throughout the year. In private banking, exclusive negotiations are under way to acquire Banque Privée Européenne. Lastly, true to its values of proximity and services to as many people as possible, La Banque Postale committed to social home ownership and is targeting €1 billion property loans per year for low income customers starting in 2013.

The contribution of Banking activities to the Group's **operating profit** totalled €621 million, a sharp increase, notably due to the change in provisions that occurred on Greek sovereign securities (€17 million in 2012 compared to €241 million in 2011). Restated, operating profit for Banking activities increased 25% thanks to the growth in business and to cost control.

La Poste Retail Brand

As the distribution network for La Poste Group business lines, present throughout the whole territory through its 17,075 public outlets, La Poste Retail Brand made €2.5 billion in sales⁸, a 2.9% decrease in line with the decrease in mail volumes. Customer flows remain important and the use of post offices is at a level equal to that of 2011, confirming the policy of improving service that has been implemented over the last few years.

La Poste Mobile continues to grow its user portfolio with 643,000 customers at the end of 2012. The arrival of a new operator in the French market initially stopped its growth, but matching the range with customers' needs and gradually extending the offer to 10,000 post offices during the first half of the year contributed to growing the portfolio as well as revenue, which reached €139 million in 2012 (at 100%).

A SOCIALLY RESPONSIBLE APPROACH, TANGIBLE COMMITMENTS

In March 2012, the Chairman of Le Groupe La Poste launched a Major Dialogue in the company, led for six months. The recommendations issued have all been adopted and action plans have been started. They involve, in particular, management support, organisation of work and change management, health and safety at work, strengthening local HR functions, as well as workforce and skills management planning. The framework agreement signed on 22 January 2013 adds to and reinforces the entire plan.

At the same time, in order to acknowledge the efforts accomplished, grow employee cooperation for the smooth running of the company and strengthen the principle of equal profit sharing, the Group signed a new incentive agreement in June 2012. €110 million will be paid for 2012, i.e. €429 per employee, compared to €242 in 2011.

For social and environmental responsibility, the Group is strongly motivated to reduce its environmental footprint and to adapt its product and service offerings. More than 2,100 electric vehicles are in circulation as of the end of 2012. The Group also launched a voluntary process to

⁸ 18% of Mail revenue, 28% of ColiPoste revenue, 11% of Chronopost revenue

become carbon neutral. All of the Mail, Parcels and Express offers are completely carbon neutral, in France and abroad. La Poste also extended Recy'go papiers, its office paper collection and recycling service, to all micro-businesses, SMEs and French local authorities.

During the year, Le Groupe La Poste also rolled out a recruitment campaign as part of the government's employment policy and upholding the Group's commitments in this area. The recruitment of 15,000 permanent contracts is expected for the 2012-2014 period, i.e. 5,000 more than initially announced, as well as 7,500 part-time contracts. Specific attention will be paid to people who live in urban priority neighbourhoods, to young people - particularly those under the French *emplois d'avenir* programme - and to disabled people.

OUTLOOK

2013 should be marked by continued weak growth in Europe, persistent low interest rates and an on-going volume decrease in Mail.

Overall, the Group anticipates light revenue growth for 2013, backed by a dynamic innovation policy, continued improvement of service quality and price increases within the framework defined by ARCEP⁹. The Group will pursue its efforts in cost control.

Equity will be strengthened by the last step of the €2.7 billion capital increase subscribed to by the French government and Caisse des Dépôts in 2011, with €600 million to be paid in 2013.

2013 will be the year for a new public service agreement and a new strategic plan giving Le Groupe La Poste an outlook to 2018.

⁹ French regulator of the electronic communications and postal sectors (Arcep)