

NEW REGULATORY FRAMEWORK BASED ON NEW USERS' NEEDS

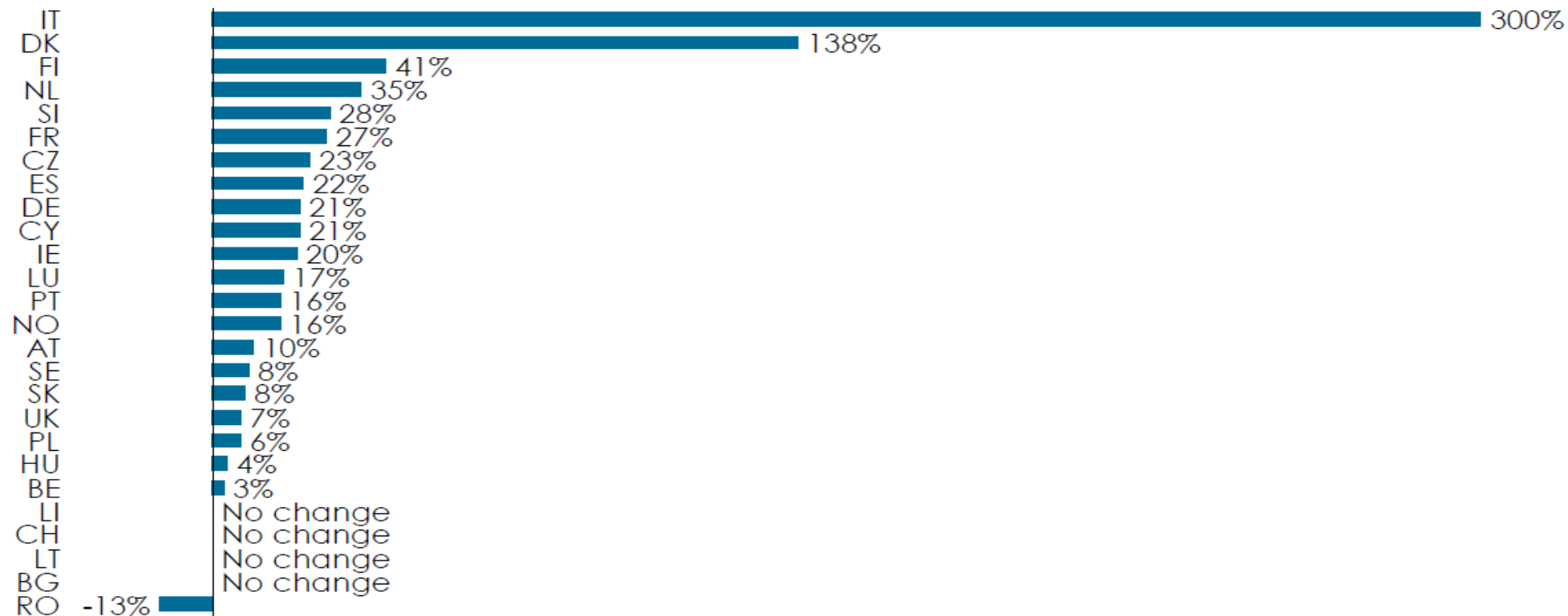
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Copenhagen, May 3rd 2018

Single piece letter post prices have increased by up to 300%

Price change for 20g single piece FSC domestic letter, 2013-2016

% change 2013-2016



Source: Questionnaire to USPs.

Copenhagen
Economics

Main Developments in the Postal Sector 2013-2016 7

In 2015 we redesigned our product portfolio and price structure to address new evolving customers' needs... on one side customers asked for a slower but cheaper product and on the other a new priority mail with added features...

WITH A MAJOR EVOLUTION IN OUR MAIL OFFER...

SINGLE PIECE LETTER HAS BEEN SPLIT INTO TWO PRODUCTS

Ordinary mail D+4:

- basic and economic service throughout Italy
 - delivery within 4 working days
 - everyday online and App shipments

Priority mail from D+1 to D+3:

- fast premium delivery throughout Italy
- Information on the outcome of delivery
- everyday online and App shipments

The 300% is comparing the price of the old single letter with the new Priority Mail which has new added features...

WHICH IMPLIES THAT SINCE OCTOBER 1 ST 2015 OUR MAIL OFFER INCLUDES

The single retail price before the new strategy was €0,80

A new basic service for domestic ordinary mail (named «Posta4»): «slow but cheaper»

- For items up to 20 gr €0,95 for Posta4 (retail) and €0,85 for Posta4pro (business)
- SLA D+4



A new priority service for domestic mail (renamed «Posta1»): «fast and with price in line with costs»

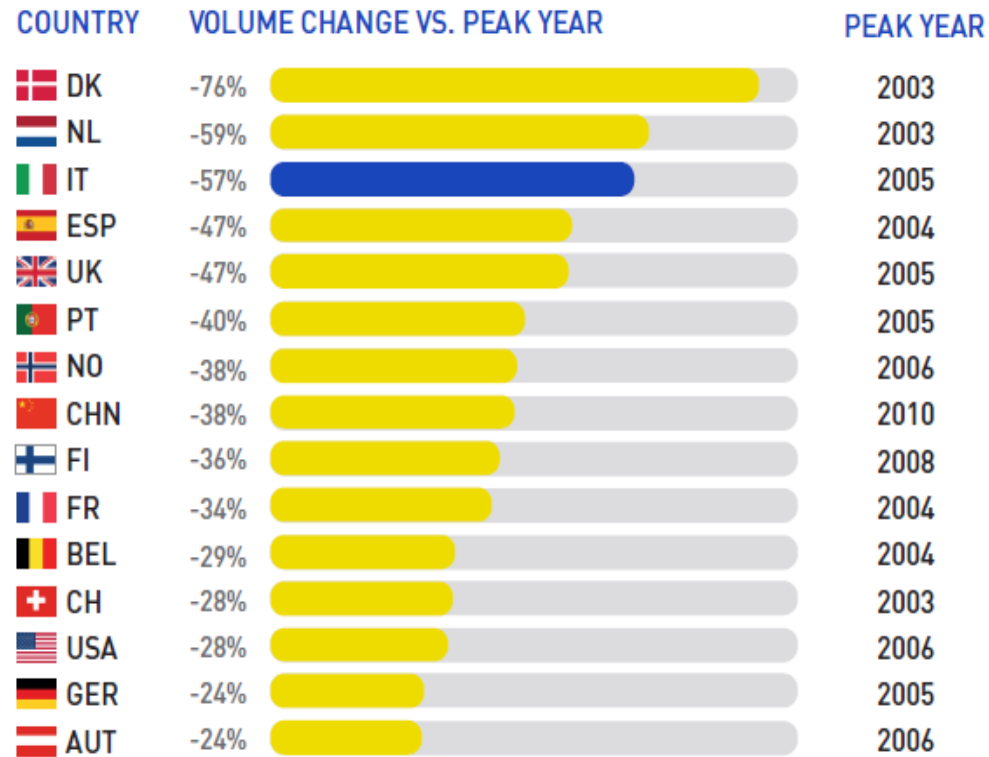
- For items up to 100 gr. €2,80 for Posta1 (retail), €2,10 per Posta1pro (business)
- SLA vary from D+1 to D+3, based on the area of collection/destination
- «light» track and trace



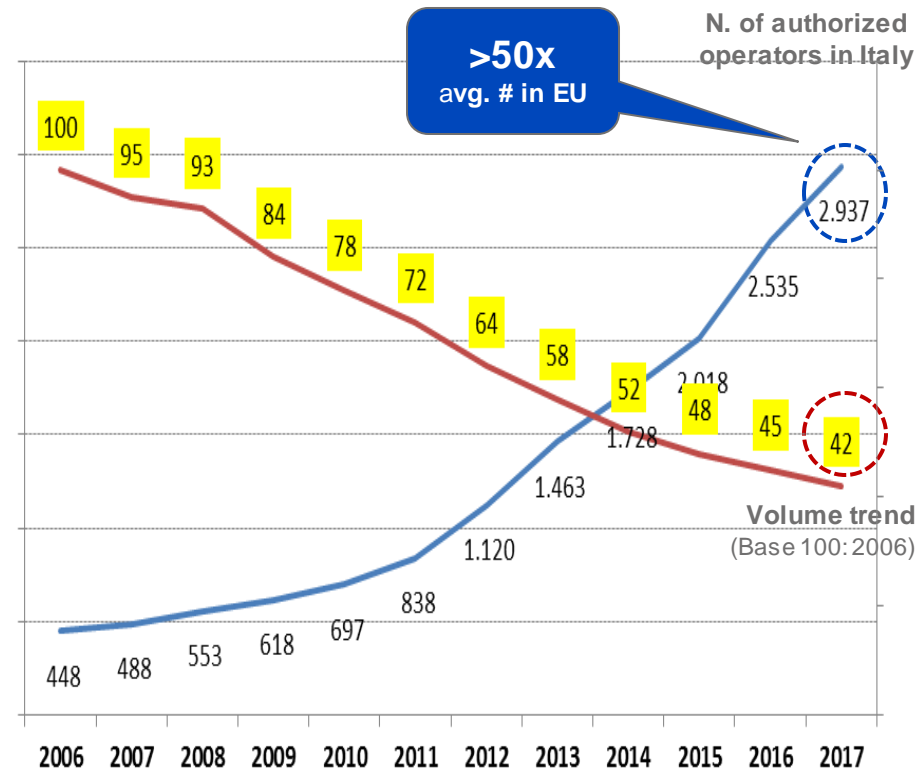
THE ITALIAN MAIL MARKET

RAPIDLY SHRINKING, HIGHLY COMPETITIVE

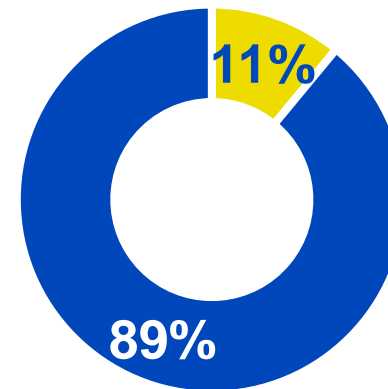
One of the highest reduction in mail volumes



One of the highest # of authorized operators in EU



- Volumes decline mainly attributable to high e-substitution rate, also stimulated by e-gov initiatives
- Price competition on ~90% of revenues, fuelled by relevant PI competitors labour costs advantage



Poste («PI») mail revenue market share (expected stable until 2022)

Posteitaliane

