Today, La Poste presented its 2013-2018 strategic project, entitled “a shared trust”, to its Board of Directors. This strategic project, which was elaborated based on the lessons learned from an extensive participatory process that involved postmen and women and all stakeholders, deepens the actions launched in each business line, and embodies Le Groupe La Poste’s ambition to become the market leader in the local and in-home service distribution sector, the reference citizens' bank, and a world-wide player in the Parcels-Express market, while accelerating its digital transition and the convergence of its physical and digital networks.

La Poste will achieve these aims, while maintaining its sound economic health, which is a sign of the proper fulfilment of its public service missions, of the continuing improvement in its customers' satisfaction, in postmen and women’s quality of life at work, and in La Poste’s ability to expand into new businesses.

A new strategic project that has been designed jointly with postmen and women

To design its new 2013-2018 strategic project, Le Groupe La Poste has been rolling out a huge participatory initiative since last March, which not only brings together postmen and women, union organisations, shareholders and members of the Board of Directors, but also elected local officials and consumer organisations. This major consultation process, which lasted twelve weeks and involved all the Group’s business lines and subsidiaries, brought together over 150,000 employees, who took part in around 24,000 workshops, during which they expressed their expectations and played a part in designing the strategic project.

A profound transformation that requires new momentum

The worsening of the economic downturn in Europe, which exceeded the expectations of the 2010-2015 Plan, has led the Group to design a new strategic project, which specifically takes account of low economic growth in Europe over the long-term and of the low level of long-term interest rates. Furthermore, these circumstances have resulted in the acceleration of structural trends already identified, first and foremost among which is the dematerialisation of information exchange flows, which impacts mail volumes (average decrease of between 5 and 6% per year between 2013 and 2018) and the traffic at post offices.
(decrease in over-the-counter business). The low interest-rate environment also requires the acceleration of La Banque Postale’s commercial expansion, as the Bank is operating in a stricter regulatory and prudential environment. Lastly, the digital revolution is leading to changes in all the Group’s business lines. Against this backdrop, the Group must find new strategic momentum by capitalising on its assets, namely committed postmen and women, a network that is unique in France, a recognised positioning in logistics, a digital transition that is well underway, support from a government shareholder base, and a solid financial structure.

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A new momentum based on four strategic developments:

Four strategic developments have been identified: deepening the ongoing actions in the business lines, the Group’s digital transition, expanding the local and in-home services market and pursuing La Poste’s growth, especially outside France.

1/ Deepening the ongoing actions in all the business lines

La Poste will continue to accelerate the ongoing initiatives at each of its business lines, including:

- Ensuring the commercial development of La Banque Postale, which is a citizens’ bank, a local bank and a private bank at the same time (developing the services for retail customers, lending to legal entities and regional authorities, social home ownership, etc.). To support this ambition, Le Groupe La Poste has decided to boost La Banque Postale’s equity via a capital contribution of around €200 million, on the one hand, and via subscribing to hybrid securities amounting to around €800 million, on the other. The Group is reinforcing its bank’s commercial expansion and its multi-business approach via this transaction. Combined with its tightly controlled operating costs and cost of risk, La Banque Postale’s strong commercial expansion will enable it to reduce its operating ratio over the period;

- Supporting the development of the Parcels-Express segment in France, in Europe, and abroad. In an environment where e-commerce is expanding exponentially, the Group’s goal is to reinforce its position as the 4th largest Parcels-Express operator by developing service innovations (selected delivery, tracking, etc.), and by relying on a global network and on its capabilities as a freight forwarding company;

- Pursuing the commercial development and the modernisation of the Mail Segment, in order to deal with the decline in volumes, and searching for convergence between the physical and digital networks, in order to become the market leader in the local and in-home service distribution segment;

- Continuing to modernise the Retail network as a distribution channel for the Business Lines, the new local services, and as a channel for developing mobile telephone services.
2/ Implementing the Group’s digital strategy

The second section of La Poste’s strategic project is based on the Group’s accelerated digital transition in several areas. A genuine “digital brand network” will be set up, which will make the “customer experience” easier: information content, market services and non-market services, all the Group’s websites and its subsidiaries’ websites will be interacting. In addition, La Poste will establish itself as the “trusted third-party” in digital exchanges. There are two target markets: BtoB (optimisation of business processes, aggregating and adding value to exchanges within professional communities, managing corporate mobile processes, etc.) and BtoC (digital identity, Digiposte, etc.). Lastly, the Group will broaden its role as a standard-setting partner for e-retailers (especially SMCs, by offering them a series of web-marketing and e-logistics solutions).

3/ Making La Poste the market leader in the local and in-home service distribution sector

Growing demand for local services, which is driven by the very rapid expansion of e-commerce and by the aging of the population, is an opportunity for La Poste, which has the tools required to satisfy this demand: its mobile network of mail carriers and parcel delivery staff, who call on every household every day, its physical network of over 17,000 public outlets and 8,000 collection points, and its digital network. Succeeding in meshing this service capability, which is unique in France, with new markets, implies convergence between these three networks, in order to make them serve distribution and local services.

For instance, three initial projects illustrate this aim: the introduction of FACTEO, which consists in giving every mail carrier a smart phone that enables them to access a range of services, testing a combined mail carrier and counter clerk role in rural areas, and installing digital tablets in the post offices, so as to make online access to all the Group’s products and service easier.

To conquer these new markets, the Group will prioritise the development of new services, including in-home help for individuals, urban logistics, collection and reverse logistics, and adding value to data.

4/ Combining external growth and organic growth

Le Groupe La Poste’s growth policy in France and abroad is based on organic expansion and external growth.

Le Groupe La Poste has defined its priority development areas, where it will look for external growth transactions that are consistent with its strategy. These transactions aim at making Le Groupe La Poste the market leader in the delivery of in-home services, a standard-setting urban logistics operator, the trusted partner for e-retailers, and a key player in digital interactions. Furthermore, La Banque Postale will boost and expand its positions, primarily with high net-worth customers and local authorities; in the means of payment segment, and in asset management.

Outside France, in addition to international mail, with the expected expansion of the Asendia joint-venture (which was set up with La Poste Switzerland in 2012), the
Group is looking to boost its positions on the Parcels-Express market in Eurasia, the Middle East, North Africa, South-East Asia, and the United States.

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This responsible development project is based on three pillars, which guarantee the Group’s stability and are based on its values, i.e. sound economic health, quality of life at work, and customer satisfaction.

**Strategic developments that are based on three pillars:**

1/ **Sound economic health**

Sound economic health is essential for ensuring the sustainable growth of the Group and of its various business lines, maintaining a high-quality social model, supporting a policy aimed at developing and modernising the production tools, continuing to fulfil public service missions properly, and providing shareholders with a reasonable return. It implies financing current businesses out of cash flow, without using debt, ensuring a reasonable return on committed capital, and maintaining the Group’s financial rating, in order to enable it to finance its growth on a sustainable basis.

2/ **Quality of life at work**

The Group has set quality of life at work as a priority target, which is reflected in a responsible employment policy. This policy implies promoting the integration of young people and social inclusion, adapting senior workers’ jobs, pursuing the policy of switching employees hired under fixed-term contracts to permanent contracts, and lastly, confirming the desire to welcome people who are disabled or whose capacity is reduced, and maintaining them in employment. This policy goes hand-in-hand with the momentum created by a genuine individual and professional development drive. Quality of life at work is also reflected in a new management model, which pays attention to employees’ individual situations, and is sensitive to new kinds of professional risk. Lastly, the development of the HR function is one of the priority targets in the strategic plan. To shore up all of these development areas, a framework agreement on quality of life at work was signed with the union organisations on 22 January 2013.

3/ **Customer satisfaction**

Satisfying La Poste’s customers involves the proper fulfilment of its public service missions, compliance with commitments made, and more generally, the quality of the service relationship. To improve that relationship, La Poste intends to simplify its product and service offers and ranges, and to improve the customer experience. As a consultation of postmen and women has underlined, the Group’s consistency is a decisive factor. This will primarily be reflected in the convergence of offers and inter-business line customer relations systems.

In addition, through its social responsibility policy, La Poste is also making a commitment on three main fronts that are the subject of the “citizen commitments” described in the public service agreement: reducing its impact on the environment (reducing direct greenhouse gas emissions by 20% between 2013 and 2018, recycling...
75% of its Waste Electrical and Electronic Equipment and hazardous waste, and increasing the portion of office paper collected by a factor of four compared with 2013), improving social inclusion (combating exclusion from banking services and excess debt, combating all discrimination in hiring, and developing the Group’s social solidarity initiatives) and taking part in the development of a responsible economy (assistance and support for the development of VSCs and SMCs and for players in the social and solidarity economy, the green economy, the collaborative economy, and the circular economy).

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In an environment that is suffering from long-term disruption, Le Groupe La Poste is aiming for reasonable average organic growth of around 1.8% per year in its consolidated revenues over the period 2013-2018, stable operating expenses and a slight increase in its operating margin. The cash generation indicator is under pressure, especially at the beginning of the period due to the environment, while the overall Plan is expected to restore it over the medium term and to guarantee its sound economic health within a sustainable development outlook.

La Poste is reinventing itself in order to design a strategic responsible growth project, which is based on its public service values and its citizen commitments for the benefit of everyone. Its aim is to design a future for La Poste with all its stakeholders, and to guarantee customer satisfaction, quality of life at work and sound economic health. Its aim is that of shared trust.

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About Le Groupe la Poste
A French public company with 100% public capital since March 1, 2010, La Poste is an original multi-business group structured around four activities: Mail, Parcels-Express, La Banque Postale and La Poste Retail Brand. Each year, the 17,000 public outlets operated by La Poste receive 45 million individual customers and 3.5 million corporate customers. La Poste’s industrial equipment enables it to process and route 25.6 billion items per year. In 2012, La Poste Group brought in revenues of 21.6 billion euros. The Group employs over 268,000 people.