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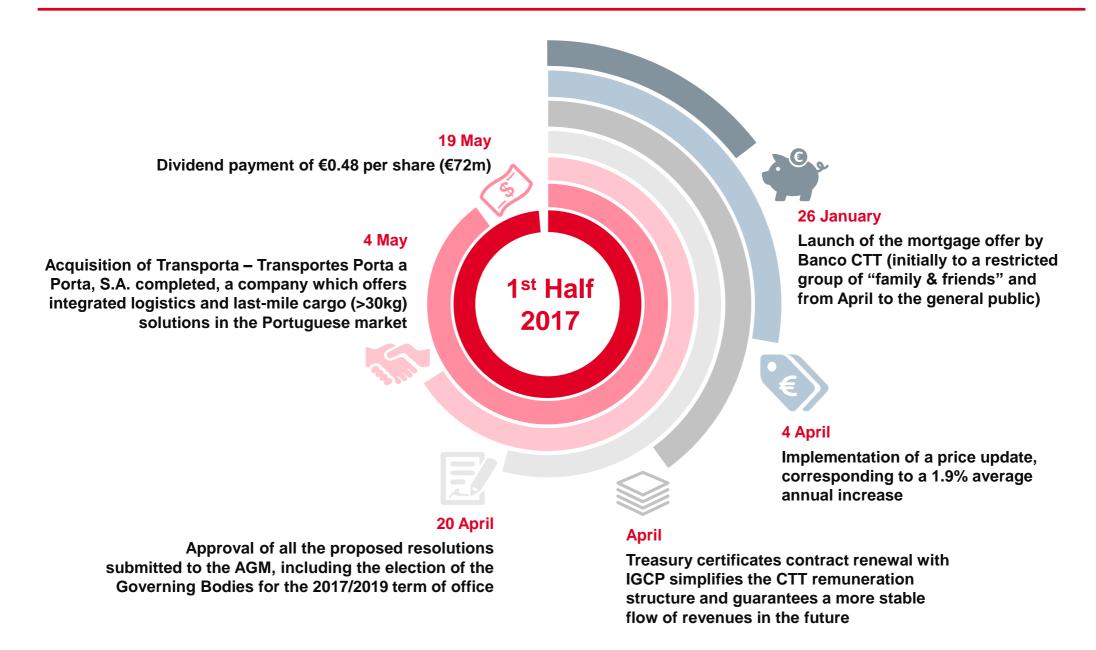
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01. Key highlights 02. **Business units** Appendix 03.



KEY HIGHLIGHTS: The strategy to grow the Express & Parcels and the Banking / Financial Services businesses was actively pursued in 1H17, accelerating in 2Q17



KEY HIGHLIGHTS: 2Q17 saw return to revenues growth and stabilisation of recurring EBITDA (excl. Altice), despite the impact of the Easter break in the quarter



Financial and operational performance

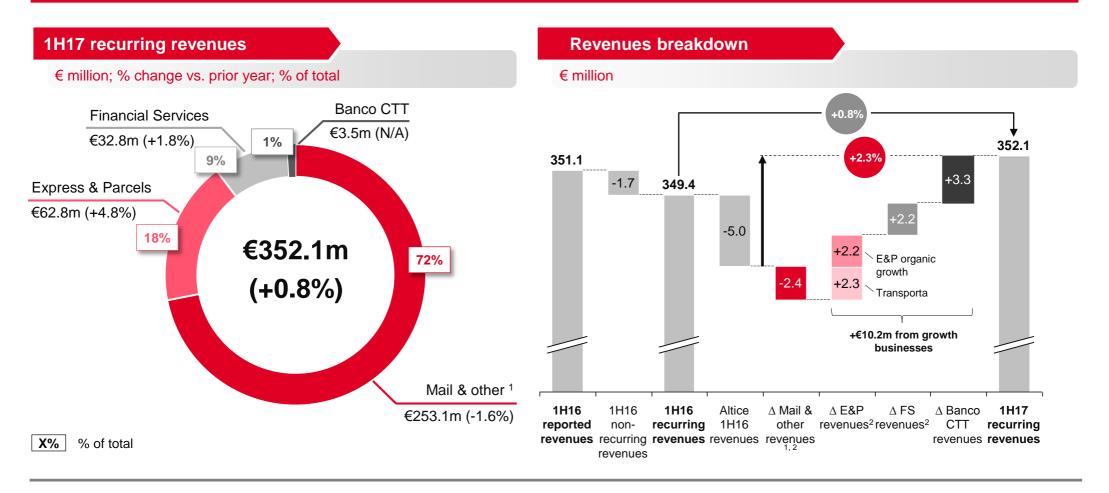
€ million, except when otherwise indicated

		Quarterly results		-		Half-yearly results		/ results	_
	2Q16	2Q17	Δ€	Δ%		1H16	1H17	Δ€	Δ%
Recurring revenues	171.5	175.2	+3.7	+2.1%	(349.4	352.1	+2.8	+0.8%
Recurring revenues excl. Altice	169.0	175.2	+6.2	+3.7%		344.4	352.1	+7.8	+2.3%
Recurring operating costs	144.2	150.6	+6.4	+4.4%		286.9	299.5	+12.6	+4.4%
Recurring EBITDA	27.3	24.6	-2.7	-10.0%		62.5	52.6	-9.8	-15.8%
Recurring EBITDA excl. Altice	24.8	24.6	-0.2	-0.9%		57.5	52.6	-4.8	-8.4%
Reported net profit	11.0	7.4	-3.6	-32.7%		31.7	17.7	-13.9	-44.0%

	Addressed mail (million items) Parcels (million items)		€ FS savings flows ¹ (€ billion)	# Banco CTT current accounts (thousand)	Banco CTT deposits (€ million)	
1H17	388.1	15.0	3.3	147.4	424.3	
1H17 vs. 1H16	-5.6%	+14.8%	+35.1%	+631.0%	+658.1%	

KEY HIGHLIGHTS: Higher than €10m increase in revenues from growth businesses in 1H17 fully offset the decline in Mail revenues and the Altice 1H16 impact



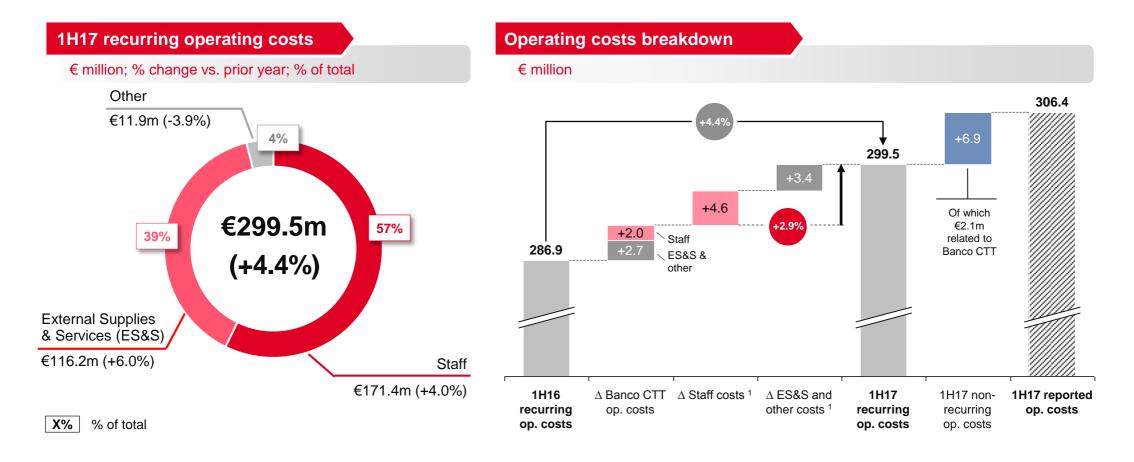


- Mail revenues decline was primarily due to a temporary suspension of lottery sales in the Retail network (-€2.0m impact). The impact of 5.6% addressed mail volumes decline was largely offset by strong mix effect (6.0% registered mail volumes growth) and 1.3% average price increase in the period. The addressed mail volumes decline in 2Q17 was -7.6%, accelerating due to the impact of Easter in the quarter, but it is expected to conform to guidance range in 2H17
- E&P was the main driver of revenues growth, resulting from strong parcels volumes in Portugal & Spain and the Transporta acquisition (+€2.3m impact in 2Q17)
- Banco CTT on target to achieve guidance of high-single digit (€7m to €9m) revenues in FY17

¹ Including income related to CTT Central Structure and Intragroup Eliminations amounting to -€14.8m in 1H16 and -€16.7m in 1H17.

² Excluding Altice 1H16 revenues.

KEY HIGHLIGHTS: The increase in operating costs was driven predominantly by Banco CTT, the integration of Transporta, and increase in variable costs as a result of volumes growth

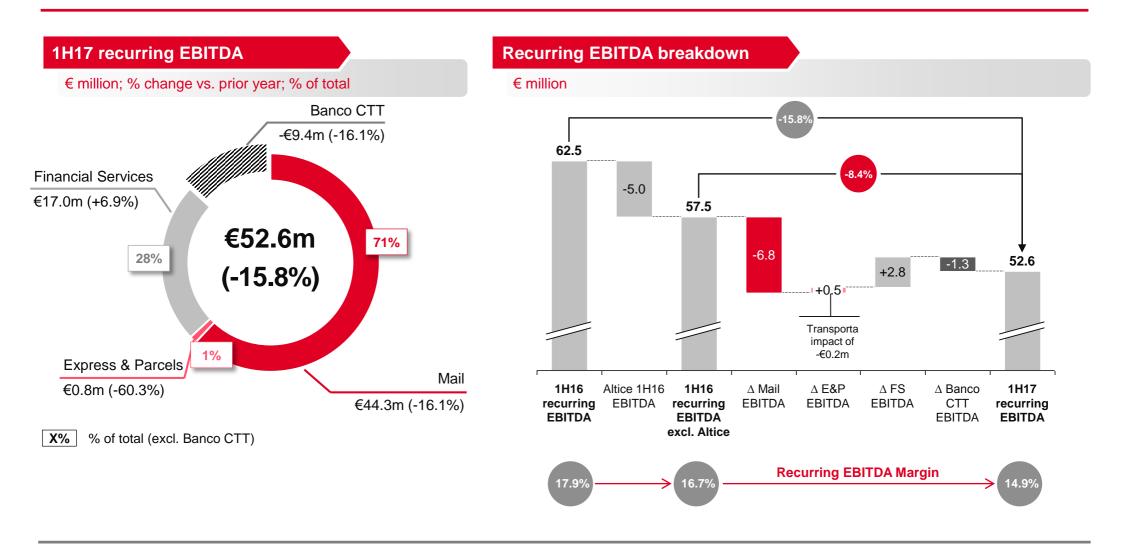


- Staff costs (excluding Banco CTT) increased predominantly due to a reduction in the telephone subscription fee benefit in 1H16 (+€1.4m impact), increase in salaries (+€1.2m) and the integration of Transporta (+€0.7m)
- ES&S and other costs increased mainly as a result of the integration of Transporta (+€1.9m) and the increase in distribution and transports costs in Tourline as a result of volumes growth and increase in routes (+€1.6m)
- Non-recurring costs of €6.9m include €3.4m of costs related to strategic studies (of which €2.1m for Banco CTT) and €2.2m related to staff contract terminations (of which €1.2m in Transporta)

KEY HIGHLIGHTS: The trend of gradual improvement continued in 2Q17, with recurring



EBITDA (excl. Altice) declining only 0.9%, supported by acceleration in the growth levers



The 2H17 comparisons in Mail, E&P and Banco CTT are expected to ease, due to an estimated 2.5% effective price increase (in 2H17), projected Tourline break-even (in EBITDA terms) in 4Q17, and growth of the recently launched mortgage offer

KEY HIGHLIGHTS: The adjusted cash position reflects the growth of Banco CTT activity in the past year



Cash Flow

€ million; %

change vs. 1H16		Reported	Adjusted ¹		
	1H17	Δ %	1H17	Δ %	
From operating activities	296.7	57.9%	182.7	>>	
Cash flow excl. Banco CTT	159.4	12.3%	45.3	>>	
Banco CTT cash flow	137.4	>>	137.4	>>	
From investing activities	-117.9	-54.2%	-117.9	-54.2%	
Capex payments	-24.7	-17.2%	-24.7	-17.2%	
of which Banco CTT	-4.1	47.8%	-4.1	47.8%	
Banco CTT financial assets & credit	-96.7	-58.4%	-96.7	-58.4%	
Other	3.4	-38.8%	3.4	-38.8%	
Operating free cash flow	178.8	60.5%	64.8	<<	
From financing activities	-73.8	-4.5%	-73.8	-4.5%	
of which Dividends	-72.0	-2.5%	-72.0	-2.5%	
Other ²	-3.6	-	-3.6		
Net change in cash	-101.5	>>	-12.5	85.1%	
Cash at end of period	720.3	11.8%	282.8	45.1%	

Reflects the growth of Banco CTT deposits in the past 12 months

Net change in cash affected by €72m dividend payment in May

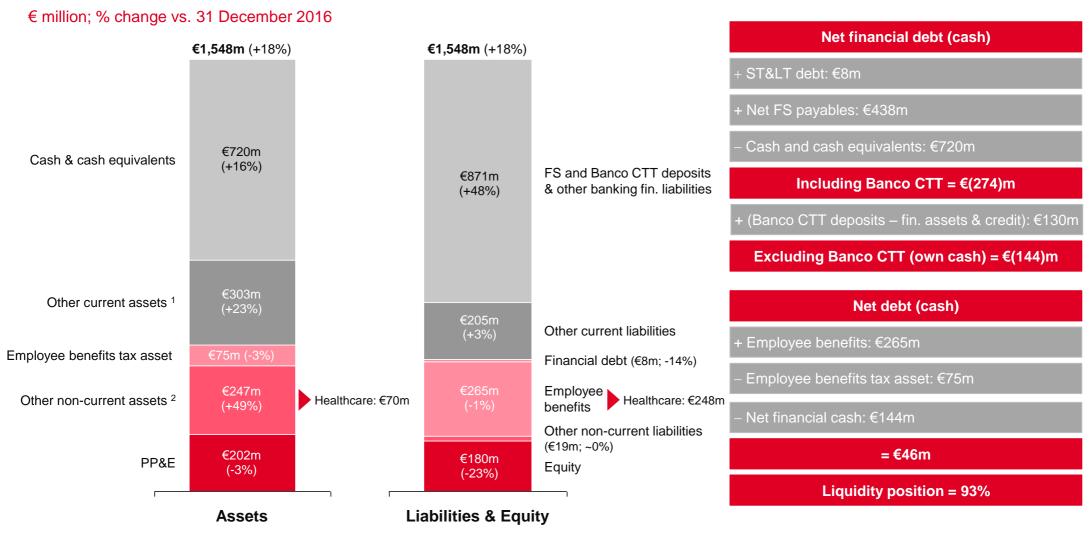
¹ Cash flow from operating activities excluding changes in net Financial Services payables of +€124.9m (1H16) and +€114.0m (1H17), respectively. Cash at the end of the period excluding net Financial Services payables of €449.6m (Jun-16) and €437.5m (Jun-17).

² These figures were not considered under Cash and equivalents in the Cash Flow statement. However, they are included in Cash and equivalents in the Balance Sheet.

KEY HIGHLIGHTS: The increase in cash and cash equivalents on the Balance Sheet was a result of the seasonal growth in FS and the continued expansion of Banco CTT activities



Balance Sheet - 30 June 2017



The company's strong liquidity (93%) and own cash position (€144m) was maintained

¹ Including Financial Services receivables of €8.6m and €5.3m as at Dec-16 and Jun-17, respectively, and Banco CTT current financial assets of €69.2m and €115.3m as at Dec-16 and Jun-17, respectively.

² Including Banco CTT non-current financial assets of €98.5m and €178.8m as at Dec-16 and Jun-17, respectively.



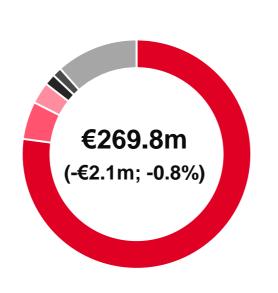
BUSINESS UNITS: Product mix effect (registered mail volumes growth of 6.0% in 1H17) and pricing impact largely offset the addressed mail volumes decline



1H17 Mail revenues by type

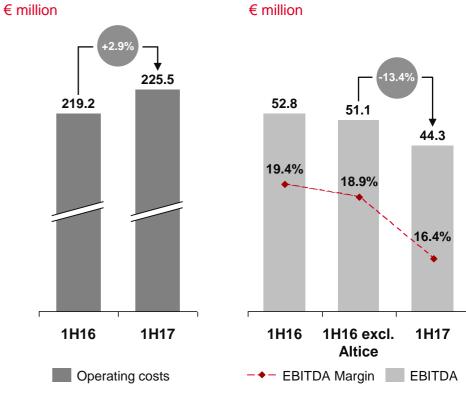
€ million, change vs. prior year (€; %)

- Transactional	€208.1m (-€0.4m; -0.2%)
- Advertising	€14.4m (-€0.4m; -2.8%)
– Editorial	€8.3m (€0.0m; 0.0%)
- Business Solutions	€4.2m (-€0.4m; -8.9%)
- USO Parcels	€3.5m (+€0.6m; +19.3%)
- Other	€31.3m (-€1.5m; -4.5%)
Total excl. Altice	€269.8m (-€0.5m; -0.2%)
·	·



Recurring operating costs

Recurring EBITDA



Mail volumes 1 by type

Metric	Avg. mail prices	Addressed mail	Transactional	Transactional Advertising		Unaddressed mail
1H17	N/A	388.1	331.0	35.4	21.6	234.8
1H17 vs. 1H16	+1.3%	-5.6%	-5.4%	-8.1%	-4.4%	+0.0%

BUSINESS UNITS: Strong organic parcels volumes growth in Portugal and Spain and the

Transporta acquisition drove mid-single digit revenues increase in E&P

€62.8m

(+€2.9m; +4.8%)

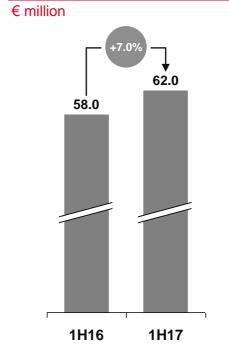


1H17 E&P revenues by region

€ million, change vs. prior year (€; %)

- Portugal & other ¹	€38.0m (+€0.5m; +1.4%)
– Parcels ²	€32.9m (+€3.0m; +10.0%)
 Banking network 	€2.6m (-€0.9m; -26.6%)
- Logistics & other ²	€2.5m (+€0.1m; +5.8%)
– Altice	€0.0m (-€1.7m; -100.0%)
– Spain	€24.0m (+€2.4m; +11.4%)
- Mozambique ³	€0.8m (-€0.1m; -10.1%)
Portugal & other ¹ excl. Altice	€38.0m (+€2.2m; +6.2%)

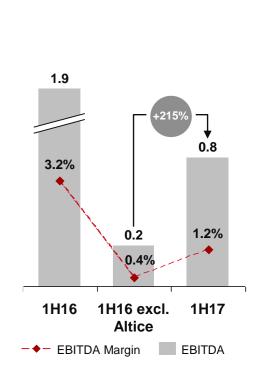
Recurring operating costs



Operating costs

Recurring EBITDA

€ million





Metric	Total	Portugal	Excl. Transporta	Spain	Mozambique
1H17	15.0	7.8	7.4	7.2	0.04
1H17 vs. 1H16	+14.8%	+13.1%	+6.3%	+17.1%	-18.6%

¹ Including internal and other revenues, and internal transactions with Spain and Mozambique.

² Including Transporta revenues in 1H17 (€2.06m in Parcels and €0.28m in Logistics).

³ MT 56.4m in 1H17 (+MT 4.8m; +9.3%).

⁴ Million items.

BUSINESS UNITS: The contract renewal with IGCP (simplified structure, no stock fees) led to revenues growth in 1H17; revenues are expected to stabilise along the year

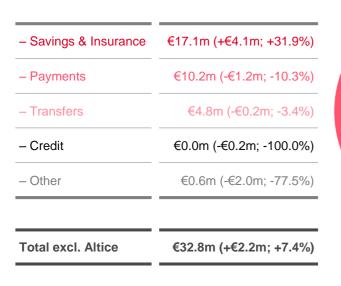
€32.8m

(+€0.6m; +1.8%)

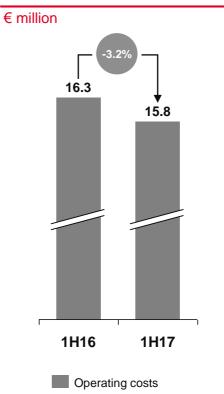


1H17 FS revenues by type

€ million, change vs. prior year (€; %)



Recurring operating costs



Recurring EBITDA

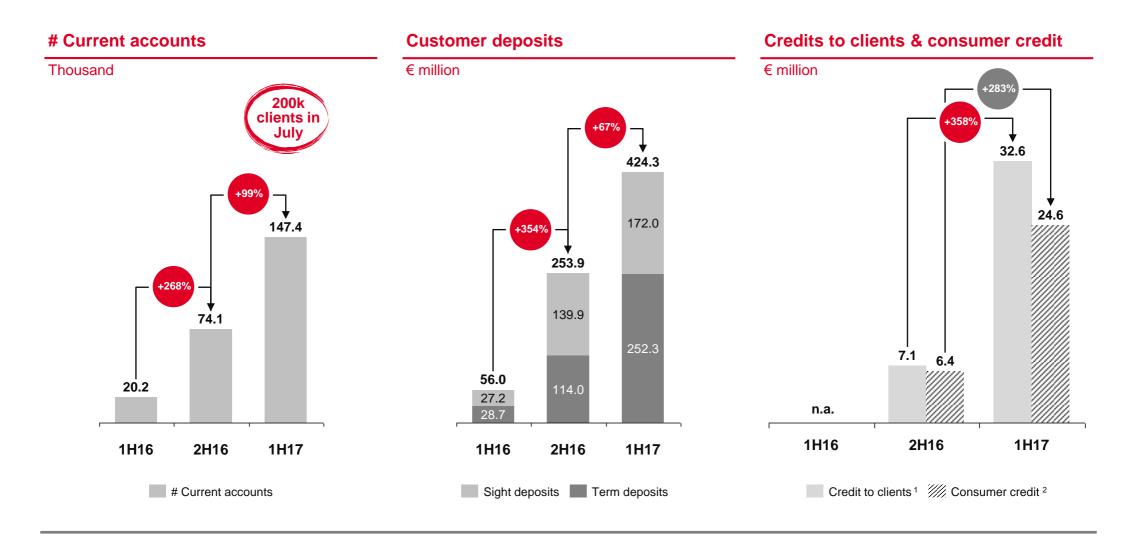
17.0 14.2 51.9%
1H16 excl. 1H17 Altice
),

E FS volumes by type

Metric	Savings placements (€bn)	Payments (m ops)	Money orders & transfers (m ops)	Credit (excl. Banco CTT) (€m)
1H17	2.3	26.3	9.0	4.2
1H17 vs. 1H16	1H17 vs. 1H16 +12.3%		-4.3%	-12.7%

BUSINESS UNITS: Banco CTT continued to expand its customer base and product offer





The Banco CTT retail offer is now complete

¹ Including factoring (€27.5m in 1H17), mortgage (€4.9m in 1H17) and overdraft (€0.1m in 1H17).

² Amount outside Banco CTT's Balance Sheet. The value represents the outstanding balance in BNP Paribas Personal Finance (Cetelem) from the partnership with Banco CTT – consumer credit and credit cards.

BUSINESS UNITS: Banco CTT on track to achieve high-single digit FY17 revenues while recurring operating costs declined sequentially (vs. 2H16)



Banco CTT operating revenues Recurring operating costs Recurring EBITDA € million € million € million 13.5 12.9 0.2 0.4 7.5 6.6 8.3 0.1 -3.0 16.3% -3.6 +350% 4.3 10.0% 0.8 -5.2 4.2% 0.2 1.2 5.8 5.9 -5.8 3.9 -6.2 0.2 0.6 1.0% 1H16 2H16 1H17 1Q16 2Q17 3Q16 1Q17 1H16 2H16 1H17 - ◆ Revenues / rec. costs (%) EBITDA Commissions income 1 ES&S costs Staff costs

Banco CTT financial indicators

		Equity (€ million) /			
Metric	Cash & cash equivalents Financial assets Credit to clients		Other assets	CET 1 (%)	
30-Jun-17 31-Mar-17	197.4 135.4	261.6 204.6	32.6 24.6	31.5 26.8	87.5 / 49.9% 52.0 / 29.9%



APPENDIX: Non-recurring items affecting the results



€ million

1H16	1H17	Δ	
57.0	45.7	-11.3	
5.4	6.9	+1.4	
-1.7	-	+1.7	
2.3	2.9	+0.6	
4.9	4.0	-0.9	
62.5	52.6	-9.8	
47.4	30.6	-16.9	
-3.4	1.0	+4.4	
-3.8	-0.1	+3.7	
0.4	1.1	+0.7	
2.0	7.9	+5.9	
49.5	38.4	-11.0	
	57.0 5.4 -1.7 2.3 4.9 62.5 47.4 -3.4 -3.8 0.4 2.0	57.0 45.7 5.4 6.9 -1.7 - 2.3 2.9 4.9 4.0 62.5 52.6 47.4 30.6 -3.4 1.0 -3.8 -0.1 0.4 1.1 2.0 7.9	57.0 45.7 -11.3 5.4 6.9 +1.4 -1.7 - +1.7 2.3 2.9 +0.6 4.9 4.0 -0.9 62.5 52.6 -9.8 47.4 30.6 -16.9 -3.4 1.0 +4.4 -3.8 -0.1 +3.7 0.4 1.1 +0.7 2.0 7.9 +5.9

€1.7m from recognised deferred gain due to early termination of vacant building lease contract

Non-recurring costs of €6.9m in 1H17 include:

- €3.4m of costs related to strategic studies (of which €2.1m for Banco CTT)
- €2.2m due to staff contract terminations
- €0.4m related to Banco CTT branch openings
- €0.8m related to the delivery of own shares for the LTVR & other

APPENDIX: Consolidated results



€ million	Repo	Reported		Recurring ¹		Banco CTT under equity method	
	1H16	1H17	1H16	1H17	1H16	1H17	
Revenues	351.1	352.1	349.4	352.1	351.1	349.3	
Operating costs	294.1	306.4	286.9	299.5	282.7	292.0	
EBITDA	57.0	45.7	62.5	52.6	68.4	57.3	
EBITDA margin	16.2%	13.0%	17.9%	14.9%	19.5%	16.4%	
EBIT	47.4	30.6	49.5	38.4	59.4	43.4	
Gains / (losses) in subsidiaries, associates and joint ventures	0.2	-	0.2	-	-9.3	-10.1	
Earnings before taxes (EBT)	44.9	28.2	47.0	36.0	47.4	30.9	
Income tax for the period	-13.4	-10.5	13.0	9.7	-15.8	-13.2	
Net profit attributable to equity holders	31.7	17.7	34.1	26.4	31.7	17.7	

¹ Recurring net profit excludes non-recurring revenues and costs and considers the theoretical (nominal) tax rate of CTT.

APPENDIX: Balance Sheet



€ million	C	СТТ			Banco CTT under equity method		
	31-Dec-16	30-Jun-17	31	-Dec-16	30-Jun-17		
Non-current assets	452.6	525.0		393.2	412.7		
Current assets	864.1	1,022.8		669.9	708.3		
Assets	1,316.7	1,547.8		1,063.1	1,120.9		
Equity	233.3	179.7		233.3	179.7		
Liabilities	1,083.4	1,368.2		829.8	941.3		
Non-current liabilities	269.5	267.1		269.5	267.1		
Current liabilities	813.8	1,101.1		560.3	674.2		
Equity and liabilities	1,316.7	1,547.8		1,063.1	1,120.9		

