



## Top story

**First stage of Romania Post's part privatisation begins**

Several postal operators have been suggested as possible bidders for a 51% stake in state-owned Romanian Post following the opening of the pre-qualification stage of the tender process at the beginning of March.

Austrian Post, bpost, Deutsche Post DHL, Poste Italiane, PostNord and Royal Mail have all been mentioned in media reports as potential bidders. Magyar Posta of Hungary, however, has decided against pursuing a bid after reviewing the opportunities and conditions related to the sell-off, according to Hungarian news agency MTI.

Investors interested in bidding need to prove availability of funds for a cash contribution of at least €150m (US\$194m). To participate in the selection process for bidders, companies must respond to pre-qualification requirements by 11 April and pay a bidding bond of €2.2m (US\$2.8m).



■ CANADA POST INTEGRATES WITH MAGENTO'S E-COMMERCE PLATFORM ■ ONLINE FEDEX TOOL CONSOLIDATES ORDERS FROM MULTIPLE SITES ■ CANADA POST OFFERS ONLINE ADDRESS VALIDATION ■ UPS IN REVERSE LOGISTICS SERVICE COLLABORATION ■ USPS LEVERAGES ITS BRAND IN LICENSING DEAL ■ TNT PLANS TO SELL BRAZILIAN OPERATION BY END OF YEAR ■ DHL'S PANAMA HUB GAINS TAPA CERTIFICATION ■ BARBER TO HEAD UPS INTERNATIONAL

## Americas

### Canada Post integrates with Magento's e-commerce platform

Canada Post has announced an agreement with e-commerce platform provider Magento to integrate its shipping, delivery, tracking and returns services.

Magento is a division of X.commerce, an eBay Inc company. It is offering its customers access to Canada Post's services in order to provide additional shipping, delivery and returns options at economical prices.

The Canada Post suite of services consists of: precise delivery dates; delivery options including collection from a nominated post office; tracking and self-service return labels from the merchant's online store, and automated order fulfilment by printing shipping labels directly within Magento.

### Online FedEx tool consolidates orders from multiple sites

FedEx has launched an internet-based tool that allows e-retailers with multiple online stores to consolidate their orders and organise, review and process all shipments in one place.

Once business customers have entered the account information of their e-commerce providers, FedEx.com Integration Manager will automatically consolidate orders at each subsequent login.

FedEx said its new tool for small businesses would work seamlessly with e-commerce platforms such as eBay, Amazon, Etsy, Google Checkout and Yahoo.

### Canada Post offers online address validation

Canada Post has launched an address data capture and validation service, AddressComplete, after forming a strategic relationship with Postcode Anywhere (PCA), a provider of internet services for address validation.

AddressComplete is sold on a pay-per-use subscription that Canada Post says is affordable for businesses of all sizes. It is based on an intuitive address validation and completion process accessing Canada Post's accurate address data.

The company said AddressComplete could be integrated into any application with a network connection including point-of-sale systems, call centre programmes and proprietary systems.

## IN BRIEF

### FedEx in top ten

FedEx Corp has gained tenth place in the list of the World's Most Admired Companies compiled annually by Fortune magazine.



■ CANADA POST INTEGRATES WITH MAGENTO'S E-COMMERCE PLATFORM ■ ONLINE FEDEX TOOL CONSOLIDATES ORDERS FROM MULTIPLE SITES ■ CANADA POST OFFERS ONLINE ADDRESS VALIDATION ■ UPS IN REVERSE LOGISTICS SERVICE COLLABORATION ■ USPS LEVERAGES ITS BRAND IN LICENSING DEAL ■ TNT PLANS TO SELL BRAZILIAN OPERATION BY END OF YEAR ■ DHL'S PANAMA HUB GAINS TAPA CERTIFICATION ■ BARBER TO HEAD UPS INTERNATIONAL

## UPS in reverse logistics service collaboration

UPS and Jabil Circuit have entered a strategic collaboration to provide optimised reverse logistics services for return and repair programmes operated by high-tech original equipment manufacturers and their service providers.

Jabil Aftermarket Services will work with UPS to provide the global service, combining its reverse logistics planning, repair and call centre support with UPS's warehousing, transportation, returns management and trade compliance know-how.

High-tech companies will have access to repair and distribution facilities near their customers and companies including Dell Computers have signed up for the service.

The UPS/Jabil service portfolio includes order fulfilment; next-day and same-day transport; returns processing; whole-unit and component repair, assembly, procurement and vendor management; planning and inventory funding; call centre and technical support; trade compliance, and drop-off and collection at UPS Store outlets.



## USPS leverages its brand in licensing deal

The United States Postal Service is leveraging its brand attributes by licensing a new range of outdoor clothing marketed under the Rain Heat & Snow label.

The clothing brand reprises the Postal Service's motto: "Neither snow, nor rain nor gloom of night stay these couriers from the swift completion of their appointed rounds".

The Rain Heat & Snow range is being developed and launched by Cleveland-based Wahconah Group. The so-called smart apparel will use technology in its manufacture and will initially comprise all-weather clothing and accessories for men. A women's line is planned for the future.

Wahconah is establishing a showroom in the garment district of New York City and aims to sell the range in department and speciality stores. Its chief executive, Isaac Crawford, said the products would build on the rich American history of the Postal Service's iconic brand.

## TNT plans to sell Brazilian operation by end of year

TNT Express expects to announce the sale of its domestic activities in Brazil by the end of this year now that its hoped-for merger with UPS has been abandoned.

The company suspended plans to find new owners for the Brazilian operation when UPS expressed an interest as part of the merger. Full-year results showed that losses reduced in 2012 but they failed to reach the level of improvement sought by TNT Express.

The company said it would maintain a full international capability to and from Brazil.



■ CANADA POST INTEGRATES WITH MAGENTO'S E-COMMERCE PLATFORM ■ ONLINE FEDEX TOOL CONSOLIDATES ORDERS FROM MULTIPLE SITES ■ CANADA POST OFFERS ONLINE ADDRESS VALIDATION ■ UPS IN REVERSE LOGISTICS SERVICE COLLABORATION ■ USPS LEVERAGES ITS BRAND IN LICENSING DEAL ■ TNT PLANS TO SELL BRAZILIAN OPERATION BY END OF YEAR ■ DHL'S PANAMA HUB GAINS TAPA CERTIFICATION ■ BARBER TO HEAD UPS INTERNATIONAL

## IN BRIEF

### UPS Worldwide Expedited expands

UPS has expanded its Worldwide Expedited service which offers international shippers a more economical, less time-sensitive service than express. The company has tripled the area covered by Worldwide Expedited to offer delivery in two to five business days to more than 220 countries and territories.

### DHL's Panama hub gains TAPA certification

DHL Express's hub in Panama has become the company's 200<sup>th</sup> facility to gain A security certification from the Transported Asset Protection Association (TAPA).

All the company's major hubs and gateways worldwide are TAPA A certified. A total of 20 DHL Since 2010, express facilities in the Americas have been TAPA certified at sites in Argentina, Brazil, Canada, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, the United States and Uruguay.



### Barber to head UPS International

Jim Barber, currently president of UPS Europe, is to take over as president of UPS International when Dan Brutto retires at the end of April.

Barber, aged 52, has worked for UPS for 28 years and has been a senior manager on the international team since 2004. He will join the UPS management committee of the ten most senior executives when he takes up his new position.



■ BIG RISE IN HALF-YEAR PROFITS FOR NEW ZEALAND POST ■ AUSTRALIA POST ADAPTS ITS PARCEL OFFER TO E-COMMERCE ■ SWISS POST FORMS DOCUMENT MANAGEMENT VENTURE IN DUBAI ■ TEMPERATURE-CONTROLLED PACKAGING FOR BIO-SHIPMENTS ■ DHL TO INVEST €40M IN INDONESIA ■ DHL BUILDS GROUND FACILITY AT DUBAI'S MEYDAN DEVELOPMENT

## Asia Pacific

### Big rise in half-year profits for New Zealand Post

New Zealand Post achieved a pre-income tax profit of NZ\$78.4m (€50.1m, US\$64.6m) in the first half year to 31 December 2012, a 78% increase on the same period the previous year. Revenue was NZ\$872.3m (€557.8m, US\$718.9m) compared with NZ\$670.2m (€428.6m, US\$552.3m). Net profit was NZ\$59.6m (€38.1m, US\$49.1m) compared with NZ\$35.4m (€22.6m, US\$29.2m).

The result was boosted by a good performance from Kiwibank while the mail and logistics businesses experienced mixed results, according to the company.

Total mail volume fell by 8.1% but Express Couriers Limited (ECL) increased profitability. New Zealand Post said the express company's good performance supported its decision in June 2012 to acquire the remaining 50%, thereby taking full ownership.

During the half year, the company divested itself of its shareholding in Datacom to achieve a one-off gain and sold two office buildings. Capital generated by these actions will be used at Kiwibank and to fund continuing change in the logistics and mail businesses.

Chief executive Brian Roche again called for the government to grant the company greater flexibility to make changes in a measured and planned manner.

### Australia Post adapts its parcel offer to e-commerce

Australia Post has restructured its domestic parcel products to align its delivery services more closely with the needs of e-commerce.

The company is offering three delivery speeds: same day, next day and regular. Three parcel packages are now available in small (500g), medium (3kg) and large (5kg) in addition to the option to use own packaging for parcels weighing up to 22kg.

Optional features include extra cover, signature on delivery, email tracking advice and cash-on-delivery.

### Swiss Post forms document management venture in Dubai

Swiss Post has formed a joint venture for digital document processing in the United Arab Emirates with the Transguard Group, a UAE-based company.

## IN BRIEF

### Australia Post supports Women's Day

Australia Post is supporting International Women's Day throughout March, selling ribbons, key rings and pens at selected outlets and taking donations over the counter for UN Women Australia.



■ BIG RISE IN HALF-YEAR PROFITS FOR NEW ZEALAND POST ■ AUSTRALIA POST ADAPTS ITS PARCEL OFFER TO E-COMMERCE ■ SWISS POST FORMS DOCUMENT MANAGEMENT VENTURE IN DUBAI ■ TEMPERATURE-CONTROLLED PACKAGING FOR BIO-SHIPMENTS ■ DHL TO INVEST €40M IN INDONESIA ■ DHL BUILDS GROUND FACILITY AT DUBAI'S MEYDAN DEVELOPMENT

The venture involving Swiss Post Solutions falls within Swiss Post's strategy to develop business process outsourcing. Trading as Transguard/SPS, the partners will offer mailroom and document management services including digitisation, electronic processing and archiving of incoming physical mail, and printing and mailing of digitally prepared business correspondence.



Swiss Post said its digitisation software would allow for orders, invoices, payment claims and other business documents to be processed directly electronically, bringing efficiency and cost saving to customers.

Transguard is part of the Emirates Group providing services related to the safekeeping and transportation of securities and valuable articles. Its services include maintaining ATMs, cheque clearing and real estate and cash management.

The Transguard/SPS venture will be managed jointly by executives from the two partners and will serve existing customers including nine of the ten largest banks in Dubai.



## Temperature-controlled packaging for bio-shipments

DHL Medical Express has introduced its uniform, global packaging for temperature-controlled medicines and clinical samples to customers in Japan.

The packaging is available in five sizes for each of three temperature zones: ambient (15-25°C); chilled (2- 8°C) and frozen (-20°C). Both the packaging and the labelling are compliant with International Air Transport Association regulations for transportation of biological substances.



DHL Medical Express offers delivery the next business day before noon, Saturday delivery and advanced tracking. The business unit was launched in 2009 and now covers more than 70 countries and regions.

## DHL to invest €40m in Indonesia

DHL Supply Chain is to spend €40m (US\$51.6m) over the next few years on expansion in Indonesia.

It will open a 17,000m<sup>2</sup> warehouse in Cimanggis, West Java province, and plans to double its 370-vehicle delivery fleet by 2015. It will also expand its network of 164 warehouses, adding 60% more warehousing space.



■ BIG RISE IN HALF-YEAR PROFITS FOR NEW ZEALAND POST ■ AUSTRALIA POST ADAPTS ITS PARCEL OFFER TO E-COMMERCE ■ SWISS POST FORMS DOCUMENT MANAGEMENT VENTURE IN DUBAI ■ TEMPERATURE-CONTROLLED PACKAGING FOR BIO-SHIPMENTS ■ DHL TO INVEST €40M IN INDONESIA ■ DHL BUILDS GROUND FACILITY AT DUBAI'S MEYDAN DEVELOPMENT



The Cimanggis warehouse will incorporate features tailored to customers in the fast-moving consumer goods industry. It will consolidate and store shipments prior to redistribution to 300 distribution channels and four factories.

DHL Supply Chain expects to increase its current 2,250-strong workforce in Indonesia by more than 70%. It has just finished training 200 managers under its executive development programme which is run in conjunction with Pos Politeknik Indonesia and the Chartered Institute of Transport and Logistics (UK).

### DHL builds ground facility at Dubai's Meydan development

DHL is building its largest ground operations facility in the Middle East in Dubai within the Meydan Racecourse district.

The ground facility at Meydan is being developed in partnership with MGE Middle East General Enterprise for an investment of AED100m (€21m, US\$27m). The complex with cover 185,844ft<sup>2</sup> (17,265m<sup>2</sup>) and include 78,285ft<sup>2</sup> (7,272m<sup>2</sup>) of indoor sorting and loading space. It is due for completion in the third quarter of 2014.

### IN BRIEF

#### TNT soon to announce sale of China operation

TNT Express expects to announce the sale of its domestic operations in China by the end of the first quarter. The company exited from domestic activities in India last year. Its new strategy focuses on activities within Europe and international connections between Europe and the rest of the world.

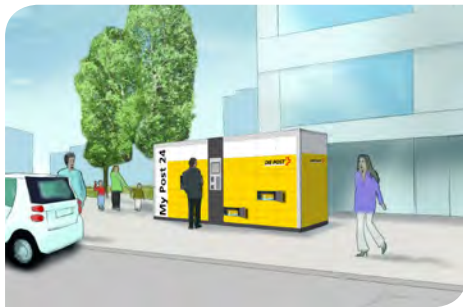


■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

## Europe

### Swiss Post installs automated parcel terminals

Swiss Post is extending its delivery options by installing automated parcel terminals under the brand name My Post 24.



The investment, linked to e-commerce growth, is one of several in the parcels market which is growing at a rate of 5% in Switzerland.

Consumers will be invited to register free as users of My Post 24. They will be able to specify a parcel terminal as their delivery address and will receive an SMS or email when their parcel is ready for collection. Consumers will also be able to drop off returns.

Initially, Swiss Post plans to install 40 automated parcel terminals by the end of 2014 and to build a national network over the next few years. The first terminals will be installed in Zurich and Berne this autumn.

In future, the company has plans to make the terminals available for incoming international parcels, allowing recipients to pay customs duties at the terminal via credit card.

Other delivery options offered by Swiss Post are: at home, place of work, or to one of 700 PickPost points at post office counters, railway and petrol stations.

### Chronopost launches Interactive Delivery

Le Groupe La Poste's Chronopost is introducing the DPD Predict flexible delivery service under the name Interactive Delivery within the MyChrono package.

The service sends recipients an SMS or email the day before scheduled delivery offering three options: accept the scheduled delivery; reschedule a new time and date within the following six working days including Saturday, or change the delivery point for collection the following day at a scheduled time.

Interactive Delivery is designed to meet the needs of e-commerce. It has been pilot-tested successfully by the e-businesses Aquarelle, BrandAlley and Rue du Commerce over three months and is now rolling out to all Chronopost e-business and business-to-consumer customers.

Meanwhile, the DPD Predict concept is being rolled out across all subsidiaries of the GeoPost express holding company.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST  
 DHL IN 2012 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

## Revenue and profits rise at Le Groupe La Poste

Le Groupe La Poste's revenue grew by 1.5% in 2012 to €21.56bn (US\$27.86bn). Reported operating profit was 21.8% higher than in 2011 at €816m (US\$1.1bn) but 1.6% higher at adjusted level. Reported group net profit was stable at €479m (US\$618.9m) but 4.3% below the 2011 level when adjusted.

Investment totalling €1.06bn (US\$1.37bn) was spent on modernisation, post office and building renovation, the international express network, banking IT systems and vehicles, especially electric vehicles.

During 2012, the government paid La Poste €1.05bn (US\$1.36bn) as the second tranche of an agreed capital injection of €2.7bn (US\$3.49bn). A third and final tranche of €600m (US\$775m) will be paid this spring.

The mail business reported revenue 1.4% lower than in 2011 at €11.41bn (US\$14.74bn). Volume decline was partially offset by the full-year effect of a tariff rise in July 2011 and the positive impact of election mailing.

Sofipost, the mail holding company for services such as Mediapost, Docapost, Viapost and Asendia, saw its reported

revenue rise by 12% (5.1% when adjusted). Sofipost's acquisition strategy is designed to create a complete range of added-value mail services.

The mail division's operating profit was €684m (US\$886.5m) compared with €757m (US\$981m) the previous year; Sofipost's operating profit grew by 46% to €66m (US\$85.5m).

Parcels and express generated revenue of €5.58bn (US\$7.23bn), 7.3% higher than the reported figure in 2011. Volume grew by 5.6%. ColiPoste saw its reported parcels revenue rise by 1.4% to €1.55bn (US\$2bn) thanks to volume increases in e-commerce. Express revenues generated by GeoPost rose by 9.8% to a reported €4.03bn (US\$5.22bn).

Operating profit from the parcels and express business rose by 4.1% to €403m (US\$522m).

La Banque Postale achieved net income of €5.24bn (US\$6.79bn) and contributed €621m (US\$805m) to group operating profit. During 2012 the bank entered the market for local authority financing with the launch of short- and long-term loans. Other new products were aimed at health and damage insurance.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

In the current year, Le Groupe La Poste predicts continued weak growth in Europe accompanied by low interest rates and further reduction in mail volume. It is forecasting slight growth in its turnover earned from innovative new products, improved quality of service and price rises.

This year will see the formation of a new five-year service contract with the government and a new strategic plan up to 2018.

### Asendia aims for leadership in cross-border mail

The Asendia global mail joint venture between France's Le Groupe La Poste and Swiss Post is aiming to become market leader in business-to-consumer services for global mail.

It will develop services for cross-border distribution of small goods weighing up to 2kg which is a growth market, particularly for e-commerce purchases. It will also target catalogue mailings.

The joint venture was formed in July 2012 by merging La Poste's global mail business and Swiss Post International to gain a stronger combined position, reduce costs and focus on profitable operations and customer service. It operates in 15 countries employing 1,200 people and has a

customer list of about 6,000 companies which generate turnover of €450m (US\$580m).

Asendia chief executive Marc Pontet told delegates to the European Postal Services conference in Madrid that sales had increased by 10% in the joint venture's first six months. All customers of the merged businesses had remained and operating profits were "above business plan".

### Gunning to head a Europe-centric TNT Express

TNT Express will announce its strategy update on 25 March following the failure of its planned merger with UPS. Its supervisory board has revealed that Tex Gunning, currently a member of AkzoNobel's board of management and executive committee, will be the company's new chief executive.

TNT has said its strategy going forward will focus on activities within Europe and on providing links between Europe and the rest of the world. It is divesting itself of domestic operations in Brazil and China in order to invest in its core activities.

The current direction is consistent with the strategy announced last year and agreed by the supervisory board before UPS made its friendly takeover bid.

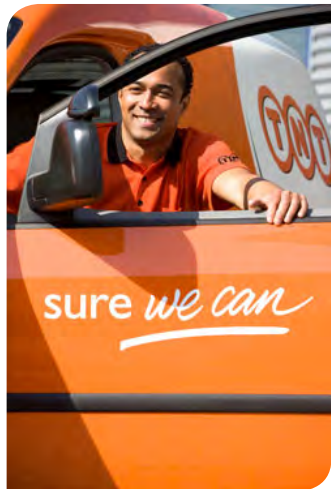
## IN BRIEF

### New agreement between TNT and PostNL

The TNT Express annual general meeting on 10 April will vote on an updated and amended relationship agreement with PostNL. The agreement will give PostNL the right to recommend one candidate for nomination to the TNT supervisory board while its shareholding in TNT is in excess of 15%.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS



In 2012 TNT Express revenue grew from €7.23bn (US\$9.34bn) in 2011 to €7.33bn (US\$9.47bn). The company made a full-year operating profit of €89m (US\$115m), improving substantially on its operating loss of €205m (US\$265m) the previous year. However profits generated from the core Europe, Middle East and Africa region slipped by almost 19% to €289m (US\$373m).

Operating losses were reported in Asia Pacific (€93m, US\$120m), Brazil (€73m, US\$94m) and other Americas (€22m, US\$28m). The loss in Brazil was a substantial improvement, however, on the 2011 loss of €322m (US\$416m).

The adjusted operating result for Asia Pacific shows an €18m (US\$23m) profit. One-off expenses in the region included goodwill impairment charges of €75m (US\$97m) in China Domestic and India Domestic, both of which TNT Express divested in 2012, and a fair value adjustment of €17m (US\$22m) related to two B747 freighters.

The company is looking for a solution to its air capacity; it wants to reduce exposure to high fixed-cost assets and has stated it would like to lower the number of its own aircraft in favour of more commercial line-haul.

A significant cost improvement plan can be expected this year, including some job losses. The company has already achieved indirect cost savings of €50m (US\$65m) from a programme launched in May 2011 and said it also realised almost two-thirds of a re-scoped €100m (US\$129m) programme of cost savings in 2012.

On 25 February the supervisory board's announced that Tex Gunning will be the new TNT Express chief executive.

Gunning will leave his current post as a member of AkzoNobel's board of management and executive committee on 26 April and will take up his new role at TNT on 01 June, subject to shareholder approval. The interim chief executive, Bernard Bot, will remain on the executive board as chief financial officer (CFO) when Gunning takes over; the interim CFO, Jeroen Seyger, will continue in a senior finance role.

Gunning achieved substantial synergy savings at AkzoNobel from the integration of ICI's decorative paints activities. He oversaw the turnaround of the decorative paints business in North America, restructured European activities and grew the decorative paints business in other markets.

Prior to joining AkzoNobel, he was chief executive of Vedior, which he successfully merged with Randstad; he also spent 25 years with Unilever and served as a member of TNT Express's supervisory board until his appointment as chief executive was announced.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST  
 DHL IN 2012 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

## PostFinance increases its pre-tax earnings

Swiss Post's financial services business, PostFinance, increased its annual pre-tax earnings by CHF40m (€32.7m, US\$42.4m) to CHF631m (€516m, US\$668.7m) in 2012, a 6.8% rise on the previous year. Its customer assets rose by CHF11.63bn (€9.51bn, US\$12.32bn) to CHF103.85bn (€84.97bn, US\$110.07bn).

The company attributed the profit improvement to interest income and a reversal in the previous year's flat-rate, CHF25m (€20.5m, US\$26.5m) write-downs. It also gained a one-time profit of CHF17m (€13.9m, US\$18m) from the cancellation of a financial investment.

In December 2012 the Swiss Parliament ruled in favour of granting PostFinance a banking licence. The reorganisation of PostFinance into a public limited company under private law is expected to take effect on 26 June this year (backdated to 01 January).

The company will be wholly owned by Swiss Post and will be equity funded by an amount to be determined by the Capital Adequacy Ordinance. Its compliance will be monitored by the Swiss Financial Market Supervisory Authority (FINMA).



## Itella wins contract to mail health appointment letters

Itella is to produce about 800,000 healthcare appointment letters a year for the Swedish medical diagnostics company Unilabs, using its iPost automated production process.

The iPost system includes automated flow, postage optimisation and secure distribution to recipients via postal agents in Sweden. Itella said it had negotiated discounted postage agreements that would bring benefits to Unilabs.

To increase inpatient and outpatient attendance rates at appointments, Itella is offering an option to tailor information given to individual recipients, providing a map, advice and information with the appointment letter. The aim is to reduce the current 20% no-show rate for appointments.

Unilabs has granted the three-year contract to Itella having previously used many different systems and print suppliers. It believes the iPost service will provide a more even and secure mail flow at much lower cost.

The company is active in 11 hospitals, two emergency departments, 20 primary care laboratories and three independent clinics.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

## Healthy full-year results achieved by bpost

Belgium's bpost increased its revenue in 2012 by 2.2% to €2.41bn (US\$3.12bn). Earnings before interest and tax (EBIT) were €404m (US\$523.5m), an increase of 12.7% on 2011.

The company said it had achieved increased profitability despite a 3.5% reduction in domestic mail volume and cost increases, particularly staff costs. These negative impacts were more than compensated for by: increased revenue from banking and financial services, parcels and international mail, and by a price increase and continuing productivity improvements.

Other challenges in the year were a European Commission order to pay back €301m (US\$390m) to the government (already provided for in 2011 accounts) and a €37.4m (US\$48.5m) fine imposed by the Belgian competition authority.

Growth opportunities taken included the launch early 2012 of a prepaid card, bpaid, available at post offices and designed to facilitate online shopping for consumers. By the end of the year, bpost had sold about 100,000 cards.

A new service for consolidated home delivery, Shop and Deliver, was trialed in four communes during 2012; trials will continue in 2013.

At the end of the year, bpost concluded an agreement with its unions that contained several social benefits including a profit-sharing scheme and an option for older employees to work half time.

## DHL's mobile app handles freight shipments

DHL Freight has launched Activebooking, a mobile application designed to help customers handle road freight shipments across Europe while away from the office.

The app for both iOS and Android smartphones is designed to be most useful to small and medium-sized companies managing a small number of shipments each day. It is based on DHL's online platform, Intraship, allowing registered users to generate standardised freight shipments.

Customers can book shipments and either print labels from their mobile devices or forward them by email. Activebooking complements DHL Activetracing, the mobile extension of DHL Freight's track and trace website.

## IN BRIEF

### DHL relaunches its customer magazine

DHL has relaunched its global customer magazine under the title Delivered. It will publish six issues a year instead of four and distribute the magazine to 20,000 customers worldwide. The first issue focuses on the technology sector and is supported by a new digital edition.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

### Deutsche Post wins award for HR innovation



Deutsche Post DHL has been awarded the German industry innovation award (Innovationspreis der Deutschen Wirtschaft) in the HR concepts category for its Generations Pact.

With its trade union, Ver.di, Deutsche Post AG developed a programme allowing older employees to work part time.

Working-time accounts allow employees to build a credit balance of hours during their active working phase that they can redeem in the run-up to retirement. Deutsche Post tops up pay to partially retired employees from the demography fund which comprises an allowance from the 2012 wage rounds.

At the other end of working life, Deutsche Post's Generations Pact aims to improve employment opportunities for young people; last year the company made job offers to some 1,300 trainees, 25% more than the previous year.

The innovation award is sponsored by the German federal ministries for education and research and economics and technology.

### Itella sells its bank to focus on core business

Itella Corporation has decided to pull out of banking and has sold the entire share capital of Itella Bank Ltd to Savings Bank (Säästöpankki) for an undisclosed sum.

Savings Bank will handle Itella's banking functions as its partner, acting as a subcontractor to provide Itella with functions that it needs for its services.

When Itella set up Itella Bank it planned to develop payment solutions for the e-commerce market. Announcing the sale, it said its original plan required it to expand into product areas where there was no synergy with its core business.

The Savings Bank is acquiring Itella Bank in order to add a credit institution to its service range. It said it would start providing its central credit institution service in early 2015 at the latest. Savings Banks' current partner, Aktia, announced in January this year that stricter regulations had made it too expensive to provide central credit institution services.

Itella aims to conclude the divestment of Itella Bank by 30 April.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

## Healthy growth for Deutsche Post DHL in 2012



Deutsche Post DHL increased group revenues by 5.1% to €55.5bn (US\$71.9bn) in 2012, thanks in particular to growth in Asia. Operating earnings were €2.7bn (US\$3.5bn), more than 9% above 2011, and consolidated net profit was around €500m (US\$647m) higher at €1.66bn (US\$2.15bn).

Deutsche Post DHL said it was projecting group EBIT to increase to between €2.7bn (US\$35bn) and €2.95bn (US\$3.82bn) this year; the mail division is expected to contribute between €1.1bn (US\$1.4bn) and €1.2bn (US\$1.6bn), while DHL is forecast to generate between €2bn (US\$2.6bn) and €2.15bn (US\$2.78bn).

Investment totalled €1.7bn (US\$2.2bn). The biggest sums were allocated to aircraft, warehouses, IT and network expansion for the DHL divisions. Spending also included expansion of the mail division's parcels infrastructure to support above-average growth in the parcels business in future years.

The mail division produced operating earnings of €1.05bn (US\$1.36bn), €56m (US\$72.5m) less than in 2011. The company said the decline was due entirely to a VAT payment which had a one-time negative effect of €151m (US\$195.5m). Without the

payment, mail division earnings would have been higher than in 2011, when there were three fewer business days.

Despite continuing decline in traditional mail volume, the division's revenue was static compared with 2011 at €14bn (US\$18bn). The parcels business continued to benefit from strong momentum generated by e-commerce and service innovation.

The DHL divisions were the driving force behind the group's profits growth. The express division saw revenue rise by 9.3% to €12.8bn (US\$16.6bn) on account of double-digit growth in all regions except Europe, where revenues also climbed.

The express division's earnings before interest and tax (EBIT) rose by 21% to €1.11bn (US\$1.44bn). The express share of the VAT payment totalling €30m (US\$38.8m) was offset by a €99m (US\$128m) reversal of restructuring provisions and €44m (US\$57m) earned from the sale of domestic businesses in Australia and New Zealand.

Global forwarding, freight, increased revenue by 3.6% to €15.7bn (US\$20.3bn) owing mainly to currency effects. Volume and revenue for air freight fell but increased for ocean and overland freight. EBIT rose from €440m (US\$569.7m) in 2011 to €512m (US\$662.9m) in 2012.

## IN BRIEF

### Jeroen Eijsink leads DHL Freight Germany

Jeroen Eijsink is the new chief executive of DHL Freight in Germany. Previously, he was chief executive of DHL Freight BeNeLux & UK. He joined Deutsche Post DHL in 2003 as a project manager in the in-house consulting department before being appointed Director, Freight, for DHL Express in 2004.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST  
 DHL IN 2012 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

The supply chain division saw revenue climb by 8.4% to €14.4bn (US\$18.6bn) while operating earnings rose by 14.9% to €416m (US\$538.6m).

### Amazon no threat to Deutsche Post delivery says Appel

Amazon has started providing parcel collection points and other business-to-consumer services related to delivery in the United Kingdom and the United States, but Deutsche Post DHL chief executive Frank Appel has said he has no concerns.

He told journalists that Amazon was a big customer with which Deutsche Post DHL had cooperated effectively. "We are not active in international business-to-consumer services in the UK and US, so this is why we don't see this as a relevant competition factor," Appel said.

### Catalogues boost online sales says Royal Mail study

Research by Royal Mail's MarketReach initiative indicates that catalogues drive website engagement and encourage shoppers to buy online.

The study into the role of printed catalogues found that 60% of consumers went online to make a purchase within a week

of receiving one. More than half those receiving catalogues spent more than £40 (€47, US\$61) on their first purchase.

More than 70% of consumers kept their catalogues for more than a month; 34% for up to a year, according to MarketReach. Those receiving catalogues spent more time looking at them – between five and 30 minutes compared with an average of 11 minutes browsing a retail website.

MarketReach was launched in 2012 to help companies and their agencies get more value from mail.

### PostNL wins business for its large-item delivery service

PostNL has won more business from Dutch retailer Blokker with a contract to deliver larger items purchased both in-store and online in addition to parcels.

The company's Extra@Home delivers within 24 hours or by appointment and installs and connects goods if required. The evening before delivery, customers receive an SMS notifying them of their three-hour delivery window. A second SMS gives the precise delivery time.



#### IN BRIEF

##### Non-exec board member joins Royal Mail

A former managing partner of Ernst and Young, Jan Babiak, has joined the Royal Mail Group board as a non-executive director. She has held executive board level roles in technology, climate change and sustainability, and regulatory and public policy.



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

## PostNL profits decline by 30% year on year

PostNL earned revenues of €4.33bn (US\$5.61bn) in 2012, 0.8% higher than in 2011, but operating income was 30% below the previous year at €291m (US\$377m). The company reported that underlying revenue was €4.27bn (US\$5.53bn) and underlying operating income €408m (US\$528m).

Addressed mail volume declined by 9.1%. Chief executive Herna Verhagen said the initiative taken in 2012 to restore falling quality levels had allowed the company to meet its quality of service standard by October.

The action involved slowing down migration to a new processing and delivery system manned by part-time workers. Verhagen said the company had now thoroughly tested a phased roll-out and migration to part-time working involving a more balanced mix between experienced and new employees. That phased roll-out of operational restructuring is taking place this year.

The company will implement measures to achieve cost savings of €290m (US\$375m) between 2013 and 2017 in addition to the €110m (US\$142m) achieved in 2011 and 2012.

Parcels will continue to be the focus for profitable growth and the operational synergies between mail in the Netherlands and parcels will be exploited further.

Proposed changes to the PostNL pension, agreed by the unions, are being reviewed by the pension funds. The company is aiming to reduce pension costs and the risk of further top-up payments; in 2012, it was obliged to make a top-up payment of €83m (US\$107m).

Looking ahead, PostNL said its outlook for underlying cash operating income remained at €300m (US\$388m) to €370m (US\$479m).

## Restructuring costs impact on PostNord's profits

PostNord's net sales in 2012 were SEK38.92bn (€4.65bn, US\$6.02bn), 1% below the previous full year. Operating profit was some 77% lower than 2011 at SEK364m (€43.5m, US\$56.3m) compared with SEK1.57bn (€188m, US\$243m) in 2011. The adjusted operating profit excluding restructuring costs and non-recurring effects totalled SEK1.55bn (€185m, US\$240m) compared with SEK1.88bn (€225m, US\$291) the previous year. Net profit was SEK257m (€30.7m, US\$39.8m) compared with SEK1.23bn (€147m, US\$190m).

Chief executive Lars Idermark said PostNord's group operating profit was significantly affected by restructuring costs and extraordinary write-downs. However, three of the company's four businesses reported improved adjusted operating profits while cash flow from operating activities was stable.

During 2012, the group made cost-reducing operational changes in response to lower mail volumes and streamlined its central administration. These actions reduced the group's



■ SWISS POST INSTALLS AUTOMATED PARCEL TERMINALS ■ CHRONOPOST LAUNCHES INTERACTIVE DELIVERY ■ REVENUE AND PROFITS RISE AT LE GROUPE LA POSTE  
 ■ ASENDIA AIMS FOR LEADERSHIP IN CROSS-BORDER MAIL ■ GUNNING TO HEAD A EUROPE-CENTRIC TNT EXPRESS ■ POSTFINANCE INCREASES ITS PRE-TAX EARNINGS  
 ■ ITELLA WINS CONTRACT TO MAIL HEALTH APPOINTMENT LETTERS ■ HEALTHY FULL-YEAR RESULTS ACHIEVED BY BPOST ■ DHL'S MOBILE APP HANDLES FREIGHT SHIPMENTS  
 ■ DEUTSCHE POST WINS AWARD FOR HR INNOVATION ■ ITELLA SELLS ITS BANK TO FOCUS ON CORE BUSINESS ■ HEALTHY GROWTH FOR DEUTSCHE POST DHL IN 2012  
 ■ AMAZON NO THREAT TO DEUTSCHE POST DELIVERY SAYS APPEL ■ CATALOGUES BOOST ONLINE SALES SAYS ROYAL MAIL STUDY ■ POSTNL WINS BUSINESS FOR ITS LARGE-ITEM DELIVERY SERVICE  
 ■ POSTNL PROFITS DECLINE BY 30% YEAR ON YEAR ■ RESTRUCTURING COSTS IMPACT ON POSTNORD'S PROFITS ■ UPS GETS CLOSE TO MEDIUM-SIZED BUSINESSES IN GERMANY  
 ■ DPD UK PUTS CUSTOMER SERVICE IN THE CLOUD ■ DEADLINE FOR ENTRIES APPROACHES FOR AN POST AWARDS

underlying cost base by almost SEK1.7bn (€203m, US\$263m).

The Danish mail business carried out extensive streamlining in 2012 to create conditions for profit generation. The Swedish mail businesses reported good results through streamlining and cost cutting.

The group continued to implement its strategy to create end-to-end solutions and logistics capacity in the Nordic region. It acquired a leading Scandinavian third-party logistics company and logistics businesses in Norway. These acquisitions contributed SEK720m (€86m, US\$111m) to net sales.

Parcel and package volumes rose on the back of e-commerce growth. The company also saw increased volumes at its distribution points. It said it expected continued positive growth from e-commerce in 2013.

### UPS gets close to medium-sized businesses in Germany

UPS has formed a partnership with Germany's association for medium-sized businesses, Deutscher Mittelstands-Bund (DMB) providing favourable rates in return for greater exposure among DMB's 14,000 members.

The partnership is in line with UPS's objective to become embedded in Germany's business-to-consumer market. This summer, UPS will launch its Access Point network of parcel collection outlets in Germany planning to have 4,000 locations by next year.

### DPD UK puts customer service in the cloud

DPD UK is investing £1.8m (€2.1m, US\$2.7m) in upgrading its customer service IT to a cloud-based system.

It has signed a five-year agreement with NewVoiceMedia's cloud contact centre architecture, ContactWorld for Salesforce. This system will consolidate DPD UK's contact centres with customer service agents needing only a phone and an internet connection.

DPD UK will be able to access performance reports for call centres online and will have the potential to route callers to the agent they spoke to the last time they called, avoiding the need for callers to repeat information.

### Deadline for entries approaches for An Post awards

An Post is promoting its annual An Post Integrated Direct Marketing Awards for which the closing date for entries is 12 April. The awards recognise the most inspirational and successful Irish direct marketing campaigns in the past year.

The initiative involves more than 40 awards in four categories: business sectors; media; strategy, and special. The entries will be judged by a panel of 18 direct marketing experts and the winners will be announced at a gala awards night on 09 May.



# Market Flash




Issue 461 | 26 March 2013

## About this publication

*IPC Market Flash* is a fortnightly newsletter providing a comprehensive look at new developments emerging in the international postal marketplace. It is published by the Markets and Communications department of the International Post Corporation.

If you would like to contribute to this publication or require further information, please contact: [publications@ipc.be](mailto:publications@ipc.be).

More information  
on our publications 

Contacts 

© IPC

Avenue du Bourget, 44

1130 Brussels

Belgium

Tel.: +32 (0)2 724 72 71

[www.ipc.be](http://www.ipc.be)

While every care has been taken to ensure the accuracy of this report, the facts and estimates stated are based on information and sources which, while we believe them to be reliable, are not guaranteed. No liability can be accepted by International Post Corporation, its directors or employees, for any loss occasioned to any person or entity acting or failing act as a result of anything contained in or omitted from this report.

