

2015



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> TOP STORY

2015 A YEAR OF TRANSFORMATION FOR THE CEO OF LE GROUPE LA POSTE

A year of “development and transformation” lies ahead for France’s Le Groupe La Poste in 2015, with a mix of growth activities and cost saving measures after profits slumped last year, according to CEO Philippe Wahl, who spoke at press conference presenting the 2014 results.

The French postal group will press ahead with organic and external growth activities to boost its low revenue growth and step up cost reduction measures to improve profitability. One high-profile move will be the relocation and centralisation of the group’s various divisional head offices at a campus-style single site outside central Paris.

This year the group has targeted a 3% rise in revenues and hopes to improve operating profits and the operating margin through cost controls and savings despite continually declining mail volumes. The group also anticipates an improvement in cash flow generation. Under its new medium-term financial targets, La Poste targets moderate organic growth of about 2% a year to reach revenues of more than €25bn in 2020 and aims for operating profits of €1.9bn (excluding external growth) by then, based on revenue growth and cost reductions.

In 2015, La Poste plans to continue rolling out the five-year strategic plan, focusing on development and cost control. The development will occur both organically and by conquering new areas, in particular through five high-priority shared projects defined around e-Commerce, energy transition, modernisation of public action, urban logistics and customer insight.

Source: [CEP-Research](#)

AMERICAS

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REGIONAL ACQUISITION FOR PARCEL CARRIER LSO

US parcel carrier LSO is expanding geographically with the acquisition of another regional firm Express Courier International to create 'super-regional shipping' across much of the southern USA.

Based in Austin, Texas, LSO offers package delivery service in Texas, Oklahoma, western Louisiana, southern New Mexico and Mexico. ECI, headquartered in Nashville, Tennessee, operates in 13 states in the south-east and mid-south USA, with a fleet of over 1,800 vehicles.

The combination of LSO and Express creates the largest regional parcel carrier in the southern United States and completes an important expansion strategy for LSO.

Source: [CEP-Research](#)



FEDEX LAUNCHES ACCESS MAGAZINE AND APP

FedEx Corp. announced the launch of its Access digital magazine and app, featuring 25 ideas, trends, people, places and policies defining global opportunity and connectivity for 2015. The Access app launches with this year's Access 25, a list of 25 people, places and ideas defining global connectivity.

The Access app, available for iPad, Kindle Fire and Android devices, is a digital version of the print magazine. It offers readers more interactive features designed specifically for tablets and Android smartphones, including videos and dynamic slideshows.

Access explores what a more connected planet means for all of us, and seeks to generate dialogue about global opportunity, including trade, sustainability and more.

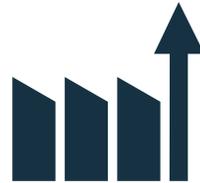
Source: [Fedex](#)



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KIWIBANK BOOSTS FIRST HALF RESULT FOR NEW ZEALAND POST



New Zealand Post Group today reported net profit after taxation (NPAT) of NZ\$100m for the six months ended 31 December 2014. Total revenue was NZ\$879m, up from NZ\$860m during the same period the previous year.

The result was led by Kiwibank's strong performance and the sale of Australia-based courier company CouriersPlease. It represents a NZ\$29m increase on the prior comparative period. Underlying NPAT after adjusting for non-recurring items was NZ\$84m, up NZ\$13m.

New Zealand Post Group chief executive Brian Roche said that in the second year of a five-year transformation plan, the overall result confirmed the Group was moving in the right direction, although it was still a challenge to get a return on investment in its core (Mail and Logistics) business.

Roche said that the growth in parcels helped to offset the continuing decline of the traditional letters business. The ongoing reduction of letter volumes makes it necessary for the Group to maintain its focus on structural and operational change to achieve sustainable profit levels.

Source: [New Zealand Post](#)

DHL EXPRESS NZ INVESTS IN GATEWAY UPGRADE

DHL Express New Zealand is upgrading its gateway facility in Auckland due to strong on-going demand for inbound freight from around the country, with an investment of €9.9m.

The company said the upgraded facility is due to be fully operational in the fourth quarter of 2015. DHL is undergoing an extensive renovation of its Auckland gateway facility to double the size of its processing capacity to 4,000 shipments per hour, up from around 2,400 previously. The warehouse space will be expanded to approximately 5,000 m², with the sorting capacity to increase by 192%.

This capacity increase is made possible through state-of-the-art parcel handling equipment which enables automated processing with the aim to reduce double handling, both maintaining the integrity of the shipment and increasing efficiency and throughput. Each parcel will only be touched twice during processing – once when unloading and once when reloading – DHL specified.

Source: [CEP-Research](#)

SINGPOST TO INSTALL NEW POPSTATIONS

Singapore Post is further expanding its network of parcel terminals, the so-called POPStations, in a partnership with the petrol company Caltex as part of which it will roll out five new terminals at selected Caltex Service Stations.

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Since the launch of POPStations in April 2013, the postal operator has been continuously expanding its network and now counts 90 terminals across the country. At the terminals, customers can post, pay, collect and return parcels round the clock, at a time and place most convenient for them.

SingPost also launched a POPStation mobile app. One of its features is the “air unlock” which allows consumers to pick up their parcels even more quickly when they are within close proximity to the POPStation.

Via the app, they can also track their POPStation parcels, receive alerts, manage their accounts or get information on the POPStation locations etc.

Source: [CEP-Research](#)

JAPAN POST GOES GLOBAL WITH NEW ACQUISITION

Japan Post is poised to embark on an international growth strategy after agreeing to buy Australia's express and freight company Toll Group for a massive AU\$6.5bn in a deal announced on 18 February.

The agreed acquisition will catapult the Japanese postal group into the global logistics market with a leading position in Australia and a strong regional presence in Asia, and give it a “global growth” story for its planned mega-IPO later this year.

In future, Toll Group will become a Japan Post division, operating its express and freight service under its own brand.

Japan Post President and CEO Toru Takahashi told reporters on a conference call that Japan Post would seek

more acquisitions in Asia and could also look to Europe and the Americas for further expansion.

Last year Japan Post already signed a deal with La Poste's subsidiary GeoPost to launch an international parcel service and take a minority stake in Hong Kong-based Lenton Group.

Source: [CEP-Research](#)

TOLL GROUP TARGETS FURTHER CUTS

Australia's Toll Group, set to be acquired by Japan Post, is aiming to further reduce costs in the coming months after its half-year profits dropped due to tough trading conditions. The company plans “aggressive pursuit of structural costs and portfolio alignment” in the January-June second half of the 2014/15 year after weaker than expected market conditions impacted its Australian network businesses from July to December 2014.

Toll Group reported a 2.6% drop in sales revenue to AU\$4,407m and a 4% fall in EBIT to AU\$248.8m. There was a 22.3% decline in net profit to AU\$136.6m, although this included a net AU\$33.6m charge for previously announced asset impairments and business divestments. Net profit excluding this was down 3.2% to AU\$170.2m.

Toll Global Express will focus on reducing the structural cost base and continuing to invest in fleet and depots, both to address the current earnings pressures, and also to ensure growth in earnings and returns into the future.

Source: [CEP-Research](#)

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FREIGHTWAYS DOUBLE-DIGIT HALF-YEAR PROFIT GROWTH

New Zealand express delivery group Freightways Limited has announced a record consolidated result for the half year ended 31 December 2014, with all businesses improving their performance.

Operating revenue of NZ\$242m was 11% higher than the prior comparative period. Earnings before interest, tax, depreciation and amortisation of NZ\$49m was up 17% year on year, while net profit after tax of NZ\$26m was 21% higher than the same period the previous year.

Cash generated from operations was again strong at NZ\$50m, up 25% year on year, while earnings per share for the half year was NZ\$0.17 per share, an improvement of 21%.

Source: [CEP-Research](#)

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AUSTRIAN POST INCREASES SHARE OF PARCELS MARKET

The Austrian parcels market grew solidly in 2014, mostly due to e-Commerce, with Austrian Post gaining market share, according to a new study.

While economic growth and private consumption in Austria stagnated, the number of shipments sent last year across Austria still increased by 1.5% compared to 2013, with 151m items in total. Industry revenues amounted to around €843m in 2014, the 'CEP services in Austria 2015' report from consultants Kreuzer Fischer & Partner found. The Austrian B2C market with deliveries to private customers grew solidly last year with the number of parcels to private recipients (B2C and C2C) increasing by 4.8% to nearly 64m parcels, driven by the continuous demand in online trade. In contrast, the B2B market declined, with the number of shipments falling by around 1% to 87m parcels last year, the study found.

The report also revealed that Austrian Post further increased its share in the domestic parcels market with parcel volume growth of 4.3%, generated equally through B2B and B2C.

Source: [CEP-Research](#)

AUSTRIAN POST COMPLETES FOOD DELIVERY TRIAL

Austrian Post and the grocery wholesaler Pfeiffer Handelsgruppe have successfully completed a delivery trial of groceries ordered online via www.shop.unimarkt.at, targeting 600,000 households in Upper Austria with different delivery models and an innovative cool box.

The 18-month research project 'Food4all@home' was conducted in cooperation with the logistics department of the University of Applied Sciences in Steyr, Upper Austria, and RISC Software GmbH. The aim was to provide consumers a convenient home delivery service of groceries on a daily basis, no matter their mobility, time and place of residence. The concept has been rolled out all over Upper Austria since November 2014.

RISC Software developed a last-mile simulation framework for Food4all@home that takes into account the current traffic situation. This, in turn, enables Austrian Post to optimise its delivery rounds and the delivery times and keep them to-the-minute by taking the rush-hour traffic into account.

Source: [CEP-Research](#)

LE GROUPE LA POSTE MAIL DECLINE OUTWEIGHS GROWTH BUSINESSES

Le Groupe La Poste revealed a 17.7% slump in net profits for 2014 as growth areas such as express parcels and financial services failed to compensate for the declining mail business, but promised a 'rebound' this year with higher operating profits.

In 2014, the French postal group increased its consolidated revenues by 2.1% to €22.2bn, although this was only a 0.9% rise on a like-for-like basis. However, the group's operating profit dropped by 7.6% to €719m, which was a 9.9% fall on a like-for-like basis, pushing the operating margin down to 3.2% from 3.6% in 2013. Net profits declined by 17.7% to €513m (-20.5% on a like-for-like basis).

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In 2014, the largest division Services–Mail–Parcels suffered a 23.2% fall in operating profits to €419m, while its revenues declined by 1.8% to €11.4bn. Addressed mail volumes declined by 5.8%, wiping out the positive effects of a 3% price increase in January 2014. Coliposte, the B2C parcel unit, had slightly higher revenues of €1.6bn and a slight drop in volumes due to the decline of traditional mail-order customers but improved operating profits by 8.2% due to cost reductions.

In contrast, GeoPost grew strongly with a 13.3% increase in revenues to €4.9bn, while volumes increased by 10.7% to 865m parcels, including double-digit growth in the UK, Spain and France.

La Banque Postale was a vital profit contributor with operating profits up by 16% to €842m while its revenues grew by 1.8% to €5.7bn. The new 'Digital' division, covering various external and internal products and services, made an operating loss of €62m on revenues of €539m.

Source: [CEP-Research](#)

DHL LAUNCHES NEW LCL SERVICE FOR OCEAN FREIGHT CONTAINERS

DHL Global Forwarding is launching a new weekly direct service for groupage containers between India and Germany. The new service will reduce the transit time for less than container load (LCL) transports from 33 to 26 days.

DHL Global Forwarding is constantly expanding its LCL network, which currently comprises 45,000 point pair combinations and annual consolidated groupage shipments

of close to 2m cubic meters. From Asia alone, consolidations are being moved from 45 terminals to 56 European container freight stations every week.

Source: [Deutsche Post DHL](#)

DHL LAUNCHES NEXT PHASE RISK MANAGEMENT TOOL

DHL is adding enhanced new capabilities to its risk management solution Resilience360. Resilience360 is an end-to-end supply chain risk management platform that alerts customers about global incidents and risks to their global supply chain in almost real time, enabling customers to maintain an advantage over their competitors by immediately responding to incidents and pre-empting or minimising business interruption.

The new enhancements will allow customers to visualise the route of their supply chain by integrating Resilience360 with their Transport Management System. Customers can then scan the latest position and status of all their shipments worldwide. This will make it easier for customers to correlate shipments with disruptive incidents and identify potentially affected areas that require corrective actions. A new country-specific risk page will also provide customers with an overview of supply chain relevant risk scores and incident trends. A global incident report will be compiled into a weekly supply chain risk intelligence bulletin, "360° INSIGHTS", which is available free of charge to subscribers.

Source: [Deutsche Post DHL](#)

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HERMES GERMANY TO CLOSE THIRD-PARTY ROAD TRANSPORT BUSINESS

Hermes Logistics Group Germany (HLGD) is planning to close the third-party road transport activities of Hermes Transport Logistics (HTL) this year as part of its restructuring and investment strategy to refocus on its parcels business boosted by the growing e-Commerce.

HTL was launched in 2009 as a European provider of road freight transportation and incorporated the Otto Group's existing air and ocean freight forwarding business under a strategy of expanding in new business areas.

However, in response to changing market conditions, the Hamburg-based group is now aiming for a stronger coordination of its transportation operations by bringing the German parcel business and the Transport Logistics division, which provides freight transportation, under common management. Along with the massive investments, structural adjustments are necessary to further strengthen the company's parcels business.

Source: [CEP-Research](#)

GLS GERMANY UPGRADES PARCELS SHOPS

GLS Germany is upgrading its 5,000 parcel shops with modern IT technology to streamline the parcel delivery process making it more convenient, faster and safer, with an investment of €7m.

As part of the project, robust smartphones with a loading unit and Bluetooth label printers constitute the easy-to-use

hardware in the GLS parcel shops, instead of paper or special equipment. The smartphone features an Android operating system and a parcel shop app with a clear menu that can be used in an intuitive way.

GLS claimed it is the first parcel operator to equip its parcel shops with such an easy, comfortable, yet secure technology. The shipping process is thus made much easier for parcel shop operators, the company explained.

Source: [CEP-Research](#)

DHL EXPRESS TAKES OFF IN ITALY

DHL Express has expanded its operations in Italy with the opening of a new air hub at Milan's Malpensa airport to speed up exports and imports with new connections to Europe, Asia and the United States, and to relieve pressure on its main hub at Bergamo.

The Malpensa hub covers a total area of 11,620 m², including an 8,000 m² warehouse, and has created 70 new jobs. It has capacity to sort 12,000 shipments per day, which is equal to 20% of DHL's daily cargo volumes in Italy.

DHL Express Italy now operates a logistics network consists of 11 bases. Milan Malpensa is Italy's largest cargo airport with some 220 cargo flights a week and handles 55% of the country's air freight volumes. In 2014, the airport's air freight volumes grew by 9.1% to about 460,000 tonnes.

Source: [CEP-Research](#)

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STRONG 2014 PERFORMANCE CREATES SOLID BASE FOR 2015

PostNL performance over 2014 underscores the "ability of the organisation to adapt to the changing environment," said Herna Verhagen, CEO of PostNL, as she presented the financial results for the 2014 financial year.

Revenue increased by 4% to €1.2bn. Underlying cash operating income increased significantly by 45% to €122m compared to the previous year. This contributed to the increase of net cash from operating and investing activities of €172m. Underlying cash operating income increased to €293m, while cost savings and price increases more than offset volume decline in Mail in the Netherlands.

PostNL expects to achieve a full-year underlying cash operating income between €280m and €320m for 2015.

Source: [PostNL](#)

TNT ANNOUNCES FULL-YEAR RESULTS

TNT announced its full-year results for 2014. Reported revenues were up by 1.6% to €1,787m. It reported a comparable revenue growth (adjusted for disposals and foreign exchange) of 3.2%, with adjusted operating income at €50m.

The company stated that the lower reported operating income was due to restructuring charges and implementation costs related to its Outlook strategy, as well as due to goodwill impairments triggered by the new reporting structure and the TNT re-launch.

It also said that its Outlook initiatives on track, with new organisational and reporting structure in place, a step-up in investments in infrastructure, significant additional capital expenditure.

Source: [TNT](#)

INPOST'S PARCEL TERMINAL VOLUMES UP 90% IN POLAND

Polish company InPost posted a new record in the number of parcels shipped via its parcel terminals last year with a 90% increase compared to 2013 and a spectacular 440% rise compared to 2012 as the lockers reached an unprecedented level of popularity among Polish online shoppers.

In 2014, an average user of InPost's lockers in Poland ordered 17% more parcels via the terminals than during the previous year.

In December last year, InPost also recorded unprecedented parcel volumes shipped via its terminals with a monthly increase of 67% compared to December 2013.

Customers who participated in the study took into account three key criteria including service quality, value for money and availability of facilities.

Source: [CEP-Research](#)

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RUSSIAN POST PARCEL VOLUMES UP BY 40% IN 2014

Russian Post processed and delivered 139m parcels last year which represents a 40% increase compared to 2013, with the growth being largely driven by incoming international shipments.

Around 65m parcels were domestic shipments and 4m were EMS international express shipments. However, more than half of Russian Post's parcel volumes consisted of inbound parcels coming from abroad with 70m.

Last year, the average delivery times of parcels to Central Russia amounted to seven to ten days on average and 15-20 days all over the country, which is three times faster than in 2012.

Source: [CEP-Research](#)

SEUR GROWS REVENUES AND PARCEL VOLUMES

Spanish parcel operator Seur increased its revenues by 5% to €564m and parcel volumes by 10% to more than 85m parcels last year thanks to e-Commerce and international growth.

In 2014, Seur – in which GeoPost holds a 62% share – transported around 300,000 parcels daily, reaching up to 500,000 on peak days during the busy Christmas period.

The company explained that last year's growth was mainly driven by e-Commerce and international trade, with sales rising by 20% to €120m and by 16% to €110m respectively.

In e-Commerce, Seur continued offering customers innovative solutions and services. In international trade, it has been integrating itself more and more into the international arena thanks to being part of the GeoPost Group with pioneering solutions such as the Predict service. These two areas accounted for 41% of Seur's total revenues in 2014.

Source: [CEP-Research](#)

ROYAL MAIL ENHANCES IN-HOUSE IT CAPABILITY

Royal Mail announced that it has enhanced its in-house IT capability through the purchase of StoreFeeder, a privately-held UK-based technology company.

StoreFeeder built Royal Mail's consumer and small business shipping tool, Click and Drop, which was launched in October 2014.

As well as allowing consumers and small businesses to ship with Royal Mail within a few clicks, Click and Drop enables eBay sellers to integrate their accounts and buy and print postage labels without manually inputting the address of each individual buyer.

Click and Drop now also offers Paypal as a payment method in addition to credit and debit cards.

Source: [Royal Mail Group](#)

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UK MAIL TO RELOCATE CENTRAL HUB

UK Mail's new 'super hub' in the Coventry area was completed and will become fully operational in May 2015. The new purpose-built hub responds to UK Mail's continued growth enabling the company to further automate its parcel operations.

Source: [CEP-Research](#)

BLACK FRIDAY DISCOUNTS IMPACT UK ONLINE RETAIL

UK online retail sales grew by 7% in January 2015 year on year, with the impact of Black Friday discounts at the end of last year still being felt, according to the British e-Commerce association IMRG.

While the January growth is far below IMRG and Capgemini forecast of 12% for this year, it comes off the back of particularly low growth in December 2014 of just 5% year on year. The discounting around Black Friday on 28 November focused huge volumes of sales activity on the final week of November.

Source: [CEP-Research](#)

UK E-RETAILERS MISS SALES OPPORTUNITIES

Online retailers in the UK need to work on providing the right information on deliveries, refunds and returns to customers to secure more sales, the new research by Hermes UK has shown, as a great number of shoppers have abandoned their baskets before placing an order during last year's festive period.

The Hermes survey revealed that British e-retailers miss opportunities for more sales as they fail to offer customers the necessary information on the delivery process. As the result, 40% of the respondents admitted they did not complete their purchasing process in the lead-up to Christmas last year.

The tendency is especially strong among younger people, with one in two consumers aged between 25 and 34 abandoning their baskets, compared to just 19% of people aged 65 and over.

Despite the growth in popularity of Click & Collect, home delivery remains the preferred delivery option for online shoppers, even despite additional costs, the research results have further shown.

51% of the respondents said they would favour paying £1.99 for home delivery rather than collecting purchases free of charge from a store while 42.5% of consumers would rather save their money and pick-up their items themselves.

Source: [CEP-Research](#)



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MOBILE COMMERCE REACHES 40% OF UK E-RETAIL SALES IN Q4 2014/15

Mobile commerce continues to gain speed with rising popularity in the UK as the percentage of online retail sales completed through tablets and smartphones reached a new record of 40% in Q4 2014/15 (November-January), according to the latest Quarterly Benchmarking report from IMRG and Capgemini.

Mobile penetration is up from 37% in the previous quarter, representing the steepest quarterly rise in the rate of mobile retail penetration since Q4 2013/14, when mobile devices accounted for 32% of online sales.

As an interesting trend, smartphones are gaining ground as an online shopping platform compared to tablets, with shoppers becoming increasingly confident of making their online purchases via their mobile phones. Over the past three months, the share of mobile sales completed through smartphones increased to 25% while the remaining 75% were generated through tablets.

Source: [CEP-Research](#)



ABOUT THIS PUBLICATION

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ABOUT IPC

International Post Corporation is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. Over the past two decades IPC has provided industry leadership by driving service quality and interoperability, supporting its members to ensure the high performance of international mail services and developing the IT infrastructure required to achieve this. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms for member post CEOs and senior management to exchange best practices and discuss strategy, and gives its members an authoritative, independent and collective voice. IPC also manages the system for incentive-based payments between postal operators. With members delivering some 80% of global postal mail, IPC represents the majority of the world's mail volume.

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