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britt.janssens@ipc.be

TNT Raises Revenue in 2007



TNT has announced a 9.9 percent increase in group revenue in 2007 to EUR 11.02 billion, but a year-on-year reduction in operating income at EUR 1.19 billion compared with EUR 1.27 billion in 2006.

The company said its underlying profit from continuing operations rose by 4.5 percent to EUR 865 million.

"2007 has been a good year for the group," said chief executive officer Peter Bakker. "In express, TNT has been able to expand its market share in Europe again. The acquisitions in the emerging markets performed according to our plans and establish unique platforms for the future. In mail, underlying results were solid and largely provided the necessary offset for the declining mail volumes in the Netherlands."

Express operating income increased to EUR 599 million compared with EUR 560 million. TNT said the improvement resulted from volume growth, particularly in international business and in Special Services, coupled with cost control.

In the mail business, EBIT was 17.7 percent lower at EUR 626 million, owing mainly to restructuring charges; the company stated an underlying EBIT for mail of EUR 736 million. Revenue rose by 4.2 percent to EUR 4.23 billion. European Mail Networks saw strong growth in the face of significant start-up costs, particularly in Germany.

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Mr Bakker said that liberalisation of mail in Europe was under serious pressure from developments in Germany with respect to a minimum wage. The issue would continue to require TNT's "relentless efforts" in 2008.

The outlook for 2008 is consistent with objectives stated by the company in December. Express is expected to show a high single-digit organic revenue growth in both international and domestic services, with a low double-digit operating margin. The express emerging platforms are expected to deliver organic revenue growth in the high teens, with a low single-digit operating margin.

Mail is expected to show low single-digit organic revenue growth overall with an operating margin around 16.5 percent. Emerging mail and parcels (excluding mail in Germany) is expected to achieve a low double-digit organic revenue increase, with a high mid single-digit operating margin.

Europe

Posten AB Claims Success for New Structure



Posten AB increased its revenue in 2007 by seven percent to SEK 29.9 billion and its operating earnings by 38 percent to SEK 1.99 billion. The result was proof, the company said, that its new operational structure had succeeded in its first year in reducing costs and increasing income.

Posten Logistics achieved 10 percent growth. The division made additional acquisitions in Finland, established its MyPack distribution network in Norway and broadened its offer for distance trading.

Within the information logistics business, Stralfors grew by 31 percent while shedding non-core activities. It developed growth opportunities in graphic solutions for the pharmaceutical industry.

The messaging business, which includes mail, joined with the logistics business in identifying growth opportunities through cooperation with distance sales companies.

Norway Post Sees its Revenue Grow

Norway Post increased revenue by 15.7 percent to NOK 27.4 billion in 2007 and made progress in income growth, quality and market position in both Norway and the wider Nordic region.

Group profitability declined owing to higher personnel and transport costs in the mail business and the cost of starting up CityMail in Denmark. Operating profit (EBIT) was NOK 1.08 billion compared with NOK 1.31 billion in 2006. The company said it had taken measures to strengthen profitability in future; an important initiative was the conversion of 124 post offices to Post in shops.

Logistics, now accounting for 45 percent of group revenue, saw revenue grow by 11.4 percent to NOK 12.32 billion owing mainly to acquisitions. Earnings before depreciation were NOK 713 million compared with NOK 635 million in 2006.

The IT business comprising ErgoGroup and its subsidiaries achieved 55 percent revenue growth to NOK 5.6 billion owing mainly to new contracts and the acquisition of SYSteam AB and Bekk Consulting AS. Earnings before depreciation were NOK 557 million compared with NOK 382 million in 2006.

Quality of service improved as a result of measures implemented during 2007; 85.1 percent of priority mail arrived overnight in 2007 compared with 82.4 percent in 2006.

Norway Post and Itella Form Joint Venture

Norway Post is to establish an information services joint venture with Itella in the Norwegian market. It will hold a 49 percent stake in Itella Information AS, which will combine Itella information's services in Norway with Norway Post's information logistics services.

The joint venture is in line with Itella's strategy for Northern Europe. "We believe that through cooperation and common solutions we will provide the strongest value proposal to our Norwegian customers," said Heikki Länsisyrjä, senior vice president.

Itella Boosts its Profits and Margin

Itella achieved group net sales of EUR 1.69 billion in 2007, an increase of 8.9 percent. Operating profit was up 14.4 percent to EUR 101.8 million and the profit margin increased slightly to six percent.

The company's president and chief executive Jukka Alho said Itella was satisfied that relative profitability had remained stable during a period of strong expansion and investment.

The mail communication division launched a four-year, EUR 150 million project to develop mail sorting and delivery in Finland. Itella Information improved profitability through electronic and document management services, and Itella Logistics opened centres in Moscow, Oslo, and Kaunas (Lithuania). A further centre under construction in St Petersburg will begin operating this spring.

Deutsche Postbank Profits Exceed One Billion EUR

Deutsche Postbank improved its pre-tax profit in 2007 by 6.7 percent to EUR 1 billion and achieved a return on equity of 19.3 percent. Total income improved year-on-year by 3.3 percent to EUR 4.25 billion.

The cost/income ratio of the whole bank improved to 67.2 percent (2006: 68.3 percent) and the traditional banking business (without transaction banking) reached 64.8 percent. The financial market crisis originating from the US property market impacted on Postbank to only a limited extent. The bank posted write-downs of EUR 112 million. Owing to a non-recurring effect of tax reform, net income increased by 25.2 percent to EUR 870 million compared with EUR 695 million in 2006.

In 2008, Postbank is aiming for a return on equity before tax of more than 20 percent and a cost/income ratio in the traditional banking business below 63 percent. Its profit before tax objective is EUR 1.22 billion.

Adrexo Mail to Close



French private sector mail operator Adrexo Mail is to shut down owing to losses, a difficult operating environment, and delay in postal liberalisation.

The company was set up in 2006 by its parent, Spir Communication, to offer addressed mail delivery services. It reported an operating loss of EUR 18 million last year.

The delay in the date of postal market liberalisation in France from January 2009 until January 2011, remaining uncertainties, and setbacks experienced in Europe by private groups in the addressed distribution market, had prompted the decision to shut down in the next few months Spir said in a statement.

Adrexo Mail has so far set up addressed mail distribution networks in key French regions, including Paris, Lille, Lyon, Marseille and Toulouse. It had been planning to extend its network to other urban areas including Bordeaux, Nantes, Côte d'Azur and Alsace during 2008.

Correios Exceeds All its Quality Targets

CTT Correios of Portugal has exceeded the quality of service targets set by the Portuguese regulator, Anacom.

Based on an index established by Anacom, Correios achieved a score of 97.1 for domestic ordinary mail.

Improved quality of service has led to greater customer satisfaction with 87 percent of those questioned in a *Reader's Digest* survey naming Correios the most trustworthy Portuguese brand.

UK's Post Office Offers Financial Services Incentives



The United Kingdom Post Office has announced initiatives to make its financial services products more attractive.

It has reduced the lending rate on its fixed, three-year mortgage for the third time since the product was launched at the end of 2007, and it is offering a GBP fifty cash payment to customers taking out car or combined house and contents insurance.

The Post Office claims the three-year, fixed-rate mortgage offers one of the lowest arrangement fees on the market as well as a low interest rate. It is one of a range of mortgage products being trialled in selected branches.

The cash offer on new insurance business is available to customers purchasing online, by telephone or at post office branches. The Post Office has already issued more than 620,000 home and car insurance policies.

Parceline to Rebrand as DPD



GeoPost's United Kingdom parcels carrier, Parceline, is changing its name to DPD in order to offer its domestic and international services under a single brand.

The name change for the primarily business-to-business carrier will take effect on March 28 and will be seen on staff uniforms, vehicles and a new website.

Other GeoPost subsidiaries that have rebranded to DPD in the past two years, include operators in Benelux, Poland, Russia and the Baltic States.

"Parceline will benefit from the strength of the DPD brand, and at the same time our network will be further strengthened with the new presence in the second-largest European parcel and express market," said Arnold Schroven, managing director of the Germany-based DPD franchise organisation.

Meanwhile, La Poste is investing GBP 56 million in a new super-hub in the West Midlands region of England.

EnvoiMoinsCher Signs New Partners

An online parcels portal, EnvoiMoinsCher, launched at the end of last year, claims to be the first multi-carrier parcel booking platform in France. It is targeting small businesses, online retailers and consumers with an offer to transport documents, parcels, pallets and freight.

EnvoiMoinsCher belongs to Boxtale, a company set up by ex-Chronopost manager, Jean-Baptiste Renié. Customers enter their shipment details and preferred transit and delivery times; they receive a price offer, select a carrier and make an online payment.

Sodexi, the express subsidiary of Air France-KLM, and Middle East carrier Aramex have formed partnerships with EnvoiMoinsCher, whose website claims also to have partnerships with La Poste/Chronopost, TNT and Schenker.

The portal claims to be independent of its partner carriers and says the rates displayed are negotiated directly with carriers.

Time:matters Extends Same Day



Germany-based same day express company *time:matters* is extending its rail service *ic.kurier* in Germany and is considering extending it to more European markets.

In cooperation with Deutsche Bahn, *time:matters* uses high-speed ICE and Inter-City trains to provide same day delivery through 140 railway stations across Germany. Since January it has extended the service to medium sized towns and plans to add another 20 stations to the network this year.

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UK's Post Office Consults on Branch Closures



The United Kingdom Post Office is consulting with the public on its plans to close 169 branches in London.

Under the proposals, the capital would have a network of 681 branches. Post Office says more than seven million residents would either experience no change, or have a post office within a mile of their home by road.

Across the UK, up to 2,500 of the current 14,000-plus post offices will be closed.

DHL Builds New Centres in Sweden

DHL Express is to build a new centre near Stockholm as part of its strategic plan for Sweden.

New centres at Örebro and Luleå have just been completed and another new centre is planned for Gothenburg. The Stockholm facility will cost an estimated EUR 10.7 million and will serve as a hub for shipments to the north.

DHL France Seeks Profits by 2009

DHL Express is restructuring its loss-making operations in France and is seeking a return to profitability by 2009.

Describing France as the most challenging of its European integration projects, DHL said it believed the business was on its way to recovery and would have a good year. The French operation has been restructured into three operating companies: DHL Express Services, DHL International Express and DHL Freight.

DHL will appoint a new country manager to replace interim manager Klaus Pfab who was brought in last autumn to conduct the restructuring.

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DPD Switzerland Agrees Pay Deal with Unions

DPD Switzerland has agreed a 1.7 percent wage increase with trade unions backdated to January 1. The company says it is the only private supplier within the courier, parcels and express market in Switzerland to have an overall contract of employment with trade unions.

Azkar Invests in New Depots

Privately owned Spanish parcels and logistics company Azkar has invested almost EUR 13 million in two new depots in the north and south of the country: a shared user facility in Valladolid and a mixed installation for logistics and parcels in Castile-Leon.

Bartolini Expands in Italy

Italian express company Bartolini has continued to expand its network with the opening of several new depots and branches across the country in January and February.

MRW Reports Increased Revenue

Spanish express operator MRW reports it increased revenue by twelve percent to EUR 632 million in 2007 and extended its franchise network to more than 800 outlets. The company does not release profit figures.

Post Office Sees Growing Demand for Chinese Yuan

The United Kingdom Post Office has noticed a marked increase in requests for Chinese yuan at its Travel Services bureaux de change. It anticipates even greater demand at the time of the Olympics and will make yuan available immediately on request at major bureaux de change branches.

Americas

US Postal Service Hire VP for IT



The United States Postal Service hired an executive vice president and chief information officer to manage and maintain its IT services.

Ross Philo has a track record for enabling business transformation through innovative IT solutions. He has previously been director of global energy solutions at Cisco Systems and chief executive officer at Visean Inc, a provider of data transfer services to oil and gas companies.

Mr Philo will report to the Postmaster General and will serve on the Postal Service's Executive Committee.

Online Service Locates Available PO Boxes

Small businesses and consumers in the United States can now locate a vacant post office box online at usps.com/poboxes.

The locator feature allows customers of the United States Postal Service to search by availability, size and fee and access the address, phone and fax number of each post office with available PO Boxes.

UPS Reduces Delivery Times

UPS has reduced by one day or more the transit time for ground service packages between more than 12 million ZIP code pairings in the United States.

The enhancement is said to improve the service for almost 500,000 customers without a change to pick-up and delivery times. The eight origin areas to benefit include: Colorado, Connecticut, Minnesota, Montana, North Dakota, western Nebraska, Wyoming and Pittsburgh. Customers can view the improved transit times at ups.com/fast.

>>In Brief - America

US Postal Service Launches Larger Flat-Rate Box

The United States Postal Service has launched its new, larger flat-rate box (*Market Flash No 367*) at a price of USD 12.95.

FedEx Declares a Dividend

The board of directors of FedEx Corp has declared a quarterly cash dividend of USD 0.10 per share on FedEx Corporation common stock. The dividend is payable on April 1, 2008 to stockholders of record at the close of business on March 11, 2008.



Asia-Pacific

Australia Post Announces Price Increase Proposals



Australia Post is seeking permission from its regulator, the Australian Competition and Consumer Commission, to increase its basis postage rate from AUD 0.50 to AUD 0.55. It is also seeking an increase in bulk letter rates.

The proposals represent an overall average price increase of eight percent. Australia Post says the rise is necessary to cover the increasing cost of fuel, wages and transportation.

"The number of delivery addresses for home and businesses has increased by over 800,000 since the last price rise in 2003 taking the total number of delivery points to 10.3 million across the country," said Allan Robinson group manager letters. "The task has got bigger, the costs have increased, but growth in the letters area has only been modest."

New Zealand Post Introduces Size-Based Pricing

Postage prices are to change in New Zealand from March 28 owing to an increase in the cost of delivery.

The new pricing in proportion structure will see the price of a medium letter remaining at the current NZD 0.5. Rates for large letters will go up to reflect the higher cost of hand sorting and delivery.

For parcels, the price for the smallest size in the new structure (130mm by 235mm) will be less than at present, but the postage on larger, heavier items will rise.

Toll Holdings Increases Net Profits

Australian transport and logistics group Toll Holdings, whose businesses include major express operators, announced net profits up 10.7 percent to AUD 237 million for the half-year ending December 31, 2007.

Underlying operating profit (EBIT) rose 13 percent to AUD 431 million on revenues up 8.3 percent to AUD 4.1 billion. Toll Australia, covering all Australia-based businesses, improved its EBIT by 18 percent to AUD 184 million on revenue up 7.3 percent to AUD 2.3 billion.

Toll does not release figures for its express businesses: Toll IPEC, Toll Priority and Toll Fast, but said that "the time sensitive operations of Toll IPEC and Toll Priority continued to drive improved results," despite Toll Priority's one-off costs for the creation of an air linehaul network.

Looking ahead, the company said it did not expect a significant downturn in its major markets this year.

Freightways Sees a Rise in Revenue and Profit

New Zealand express group, Freightways, has announced a two percent increase in half year net profit to NZD 16.8 million with operating revenue up 12 percent to NZD 162 million. EBIT increased by six percent to NZD 31 million.

The company said its emerging business mail and information management businesses continued to grow. Most revenue had come, however, from the core express package services operating under the brands New Zealand Couriers, Post Haste Couriers, Castle Parcels, SUB60, Security Express and Kiwi Express.

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GLS Signs Partnership Deal

Royal Mail's international parcels brand, GLS, has signed an agreement for delivery in India with local operator Gati.

Under the partnership, GLS parcels destined for delivery in India will be flown to a central distribution centre in Delhi for onward transport and delivery by Gati. Items originating in India will be flown to Frankfurt and distributed by GLS through its European network.

Buses Carry Express Items into Southern India

Indian next day express company, Overnite Express has formed a strategic agreement with bus company, the Andhra Pradesh State Road Transport Corporation, to penetrate the growing southern India market.

Dedicated space on long-distance buses will carry goods and parcels in the states of Andhra Pradesh, Maharashtra, Tamil Nadu and Karnataka.

Vietnam Post and La Poste in Direct Mail Cooperation

The Vietnam Post Corporation and Groupe La Poste are to launch a joint direct mail service in Vietnam next month.

A new company, Post Media, will operate the service under an agreement signed during a visit to France by Vietnam Prime Minister Nguyenh Tan Dung.

China Postal Airlines Begin Flights to Seoul

A new express mail and cargo service between Seoul and China's coastal city of Yantai in Shandong Province is being operated by China Postal Airlines which is owned jointly by China Post and China Southern Airlines.

China Postal Airlines has a fleet of 13 cargo aircraft. It operates thirty daily flights to cities in China and has recently launched a number of international flights. It now flies between Seoul and Yantai to shorten delivery time by a minimum of 12 hours.

Courier Post Orders Automated Sortation System

FKI Logistex, a provider of automated materials handling systems, has won a contract from Courier Post, part of Express Couriers, a joint venture between New Zealand Post and DHL.

FKI Logistex will work with BCS Conveyor Solutions to supply an advanced sortation system to Courier Post's Auckland operation. The system will process outbound and inbound satchels and small parcels prior to onward distribution.

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Hong Kong Post Increases Sorting Capacity

Hong Kong Post is to increase its letter sorting capacity by more than fifty percent by introducing new machinery that combines optical character reading with video coding and sortation by district.

FedEx Opens Station in Northern Japan

FedEx Express has opened a new station in Sendai City, northern Japan, keeping to its expansion plans for five new stations by May 2008. New outlets are already open in Okayama City, Nagaoka City, and Kameyama City, and another station is planned to open in Shiga prefecture.

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**IPC
Head of Communication
Avenue du Bourget, 44
1130, Brussels
Belgium**

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