

Australia Post delivers strong full year profit before tax of \$126.1m despite record letter volume decline

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Australia Post today announced a full-year profit before tax of \$126.1 million, up from \$41 million (or 307 per cent) in FY16, as continued strong growth in the parcels business allowed for reinvestment in customer service initiatives. Parcels profit before tax increased by 4.8 per cent to \$299.7 million, a strong result in a very competitive market. Addressed letter volumes, down 11.8 per cent, contributed to a \$180 million loss before tax in the postal business.

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Australia Post Acting Managing Director and Group CEO Christine Corbett said this result demonstrated the shift to becoming a major eCommerce player is paying dividends.

"Our parcels business has experienced a strong year with 4.8 per cent revenue growth and an increase in volume delivered across the domestic and international network. Last Christmas we had our largest ever parcel delivery day, with more than two million parcels delivered in a single day, and we've continued to experience strong growth throughout what is traditionally a quieter second half," Ms Corbett said.

"With new entrants to the market contributing to overall growth in eCommerce volumes, we

expect our parcels business to continue to grow, allowing for reinvestment in customer initiatives like MyPost, parcel lockers and digital trusted services.

"A pleasing highlight this year was an increased Net Promoter Score for customer engagement and we recently signed a new three-year Enterprise Agreement strongly supported by our large award workforce.

"The letters business still presents a significant challenge, with our largest ever 12 month volume decline experienced this year. We need to continue to ensure this business is sustainable, while managing the declining foot traffic in post offices, and we are speaking with the community on how they may use the letters service in the future."

Australia Post has advised strong parcels growth is expected to continue however the structural decline in letters will put pressure on the profit outlook for FY18. Australia Post also today released the 2017 Remuneration Report for key management personnel. This report is available at auspost.com.au/about-us/news-media/publications

The Annual Report will be tabled in Federal Parliament later this year.

Source: [Australia Post](https://auspost.com.au)