An Post: Addressing Ireland's mail

Chapter · November 2008

4 authors, including:


Theodore Gerard Lynn
Dublin City University


Malcolm Brady
Dublin City University


Paul Davis
Dublin City University

AN POST - ADDRESSING IRELAND'S MAIL MARKET[1]

Keywords: postal service, monopoly, deregulation, new entrants, competition

After five months of uncertainty and speculation An Post, the state mail delivery service in Ireland, announced a new Chief Executive on 22nd June 2006. Donal Connell faced several challenges: implementing an agreed Recovery Plan, getting the Fortis joint venture in place by the first quarter of 2007 and boosting revenue growth[2]. While the company posted a €30m pre-tax loss in 2002 under the outgoing Chief Executive it turned around and produced a pre-tax profit of €41m in 2005. But the real picture lay beneath these figures. An Post faced increased strains. Letter mail items per capita in Ireland fell from 203 in 2001 to 183 in 2005. Operating margins were at 2.1% and quality of service for next-day delivery, a key performance indicator, was 21% below target for 2005[3]. In addition 58% of mail volume was opened to competition on the 1st January 2006, with full liberalisation of the EU postal market due on 1st January 2009 (see exhibit one for a time line for the liberalisation process).

Leadership challenges were nothing new to An Post. The previous incumbent, Donal Curtin, took over as Chief Executive in July 2003 from John Hynes. Immediately, he set about the task of returning financial stability as An Post had made losses from 2001 to 2003 (see exhibit two for key financial results for An Post for the past six years and exhibit three for key statistics). The Recovery Plan put in place in 2001 identified the need to shed 1,140 jobs, to address the losses in the post office network[4], and to stem losses in SDS, the parcel division of An Post. By August 2003 a new management and business structure had been announced, resulting in a plan to close SDS which in 2003[5] lost €12m on revenues of €70m[6]. Plans were put in place to re-integrate the parcel business, the Post Offices division, and Letter Post into a

[1] This case study was prepared by Mr. Kevin Pyke, Dr. Malcolm Brady, Dr. Theo Lynn, and Mr. Paul Davis of Dublin City University Business School and is intended solely as a basis for class discussion; it is not intended to illustrate either effective or ineffective management.
[2] Irish Times, 23 June 2006
[3] www.comreg.ie. Quality of Service Monitor, 2005
[4] An Post Annual Report 2001
[5] An Post Annual Report 2004
[6] Calculated on revenues from 2001 and 2002 Annual Reports, as a separate figure is not reported for parcel revenue in the An Post Annual Report 2003

single company. This 'Strategic Recovery Plan' was approved by the Board in September 2003 and by the Minister for Communications in October 2003. Intense industrial relations activity took place during 2004 and 2005; this included strike action and recourse to binding arbitration under the auspices of the Labour Court but resulted in productivity agreements with each of the four trade unions. In May 2005, following application by An Post, the industry regulator ComReg[7] sanctioned price increases for flats (large envelopes) and packets but not for standard letters. By 2005, when Donal Curtin was reporting his last Annual Report review, An Post had made a profit of €41m and had cash reserves of €185m.[8] However, other performance indicators were not so good. An Post's pay costs averaged 69% of sales for the period 2001 to 2005 compared to pay costs in Sweden's Posten AB of 50% for 2005 (see exhibit four for a comparison of performance measures across European postal organisations). An Post's mail volumes increased by just 0.3% for the year 2005 and quality of service for next-day delivery of mail was 71% in 2004 and 73% in 2005. An Post had a profit margin of 2.1% for 2005 while Royal Mail and Austria Post achieved 6%, Sweden's Posten AB 5%, TNT 9% and Deutsche Post WorldNet 8%[9].

RECENT HISTORY OF AN POST

While its origins go back to the foundation of the State An Post became a 'commercial-state company' on 1st January 1984. It has responsibility under the 1983 Postal and Telecommunications Act to provide postal, communication, retail and money transmission services. These services are provided through its company-owned retail and mails delivery network and through its contracted or agency retail sub-office network.

During the period 2000 to 2002 An Post pursued a strategy that integrated three key objectives: pursue operational efficiency, service the needs of key customers, and explore strategic alliances. An Post developed automated mails processing capacity

---

[7] ComReg, the communications regulatory authority in Ireland, has responsibility for ensuring that the needs of consumers of the postal service are met; for licensing a Universal Service Provider (which in this case is An Post); for authorising other postal operators, for approving applications for price increases which are examined to ensure that all pricing is transparent, non-discriminatory, geared to cost and affordable; for setting and monitoring quality of service targets; and for ensuring access to the postal service for all citizens of the state.
[8] An Post Annual Report 2005.
[9] WiK Consult Final Report 'Main Developments in the Postal Sector 2004 - 2005' for the EU Commission, 2006.

which improved operational efficiency by minimising downstream sorting. An Post allowed for discounted pricing to large customers under certain conditions. As were the Greek and Danish post offices, An Post explored options for a strategic alliance[10]. However, company performance deteriorated during this period requiring the initiation of the Strategic Recovery Plan.

As part of its key customer orientation objective An Post acquired Kompass Ireland Publishers in 2002 in order to add business-to-business marketing databases to its already purchased business-to-consumer Precisions Marketing Information company. It also acquired JMC Van Trans and Wheels Couriers giving it access to new markets. Wheels specialised in same day delivery of parcels and documents in the greater Dublin area and JMC operated a nationwide overnight logistics service. During 2002 An Post acquired the UK-based Air Business, a provider of services for the publishing, direct marketing, and print industries, including international and domestic mailing and data processing. More importantly it also sourced final delivery options through a range of alternative delivery channels. A summary of developments in An Post since it received its commercial mandate is set out in exhibit five.

THE EUROPEAN UNION POSTAL INDUSTRY

The global postal market was worth approximately $263 billion (approximately €274 billion) in 2003 with revenues growing in each of the last twenty years. The EU Postal Market was worth €90 billion in 2005[11]. Ireland is considered a small operator within the EU, along with Czech Republic, Finland, Greece, Hungary, Luxembourg, Poland, Portugal and Slovenia. These small operators account for just 8% of the letter mail market in the EU, compared to Deutsche Post's 24%, La Poste's 20%, Royal Mail's 19%, TNT's (formerly TNT TPG - Dutch Post Office) 7%; and Poste Italiana's 7%. Medium sized operators Austria, Belgium, Denmark, Sweden and Spain between them account for 14% of the market. Exhibits six and seven respectively give data on postal service usage worldwide and market shares for European package and express services.

[10] Management Review in An Post Annual Report 2001.
[11] Financial Times, 6 Oct 2005.

Regulation and Liberalisation

Under the EU Services Directives of 1997 and 2000 An Post has been designated as a Universal Provider for mails services in Ireland. This designation obliges An Post to deliver mail items up to 20 kilograms to all address points five days a week to a standard of 94% next-day delivery for non-deferred items. An additional implication of these directives is that since 1st January 2006 the only part of the postal industry that remains a monopoly, called the 'reserved area', is mail items weighing under 50grams.

Regulation has two roles: to introduce competition into the market and to ensure equal access for all citizens to postal services through the Universal Service Obligation. To help postal operators manage their Universal Service Obligation the EU Services Directive created a 'reserved area' to fund this aspect of the business. The EU is gradually allowing competition to enter the market with full liberalisation of the market to take place by 1st January 2009. While the intention is that competition will root out bad practices incumbents will have time to put in place the reach, trust and brand-awareness that will allow them compete favourably and transform themselves into lean profitable companies.

Two main responses to the issues of universal access and liberalisation have emerged from European Postal Operators: forming alliances or shoring up defences. Those that have embraced the liberalisation agenda have made acquisitions or formed joint ventures or strategic alliances. The Dutch post office (TPG) purchased TNT instantly giving them a strong and well recognised brand. Deutsche Post have the worlds biggest logistics and mails service (Deutsche Post WorldNet) as a result of a series of acquisitions including DHL. The Royal Mail Group purchased GLS, an international logistics operator.

Other operators have taken a more defensive position cautioning against further liberalisation and urging the continuation of the 'reserved area' to ensure ongoing provision of the USO. The EU Internal Market and Services Commissioner has suggested that that the Irish government impose a levy on new entrants to compensate An Post for losses arising from its legal obligation to deliver domestic mail to poorly populated areas which cannot under regulation be subsidised by other profitable sections of the business, or which cannot by ministerial direction be charged a different postage rate based on location[12].

As a result of these responses partially or fully privatised postal operators now handle 29% of EU letter mail.[13] In 2004 the German government lowered its stake to 42% in Deutsche Post and the Dutch Governments reduced their share of the former TPG-TNT (now called TNT) to 10%. In 2005 the Danish Government sold 22% of Danish Post to a British investment group and the Belgian Government sold just under 50% of their postal service to the same British investment group and the Danish Post Office.

Postal workers have reacted to this new situation. On 6th June 2007 main post offices across Europe shut for one hour as up to 10,000 workers protested at the liberalisation of the marketplace. Irish unions are warning that the opening up of mail markets to full competition could destroy the Irish postal services and lead to extensive job losses[14]. Further industrial unrest in Ireland and across the EU is likely.

Market Moves

As these various strategies have unfolded since liberalisation operators have found themselves at times in competition and at other times in cooperation with each other.

UK

The UK market has been fully liberalised since 2006. BT, one of Royal Mail's top ten customers, recently signed a contract worth £90m with TNT covering 170 million second-class mail items. Interestingly, TNT will still inject the mail into Royal Mail for 'last mile' delivery and will pay Royal Mail 13p per item for this 'downstream access' service. UK Mail, a domestic competitor, also won a contract worth £12m to deliver mail for the UK Government Department of Work and Pensions.[15] Royal Mail earns about 12% of its revenues from its foreign operations and cooperates with TNT and Singapore Post office for global mail contracts through a joint venture called Spring.

---

[12] Sunday Business Post, 22 October, 2006.
[13] Based on WiK Consult Final Report 'Main Developments in the Postal Sector 2004-2006' for the EU commission, 2006, and ECORYS questionnaire responses used in WiK Final Report.
[14] Irish Independent, 7th June 2007.
[15] Based on information from www.guardian.co.uk/post/story, accessed 1 March 2007

Netherlands

In the domestic market TNT has been losing mail volumes to competitors, such as Royal Mail Nederland. TNT is expanding its operation in Germany through EP Europost, a joint venture between Hermes and TNT which links 120 of Hermes's 160 regional mail delivery partners together under a single franchise structure. Hermes was set up to deliver mail-order items for a leading mail-order company in Germany in the mid 1970s. TNT's recent strategy has been to exit their freight and logistics business to concentrate on the UK and the German letter mail market. TNT earns 60% of its revenues from foreign markets.

Germany

Deutsche Post WorldNet is active in the Dutch market through its MailMerge and Selekt Mail operations. Competitors are finding it difficult to win large customers from DPWN as these customers have built up long-term relations with Deutsche Post. DPWN strategy is to develop a 'one-stop' shop for business customers as it continues expanding across Europe, for example by buying logistics company Excel in 2005. DPWN earns approximately 48% of its total revenues from foreign operations.

Nordic Countries

Since Sweden's Posten AB was privatised in 1993 prices for business customers have fallen by 30%. However it has lost 8% of the market to Citymail, a company owned by Norway Post.[16] Yet Citymail and Sweden Posten have a jointly owned corporation to maintain a national address database. Norway has also announced its intention to set up a Citymail subsidiary operation in Denmark. Sweden and Norway earn around 11% from foreign operations, while 50% of Finland Post's revenue growth for 2003 came from foreign operations, mainly printing, e-invoicing, information management and direct mail services. Finland Post's strategy is to develop its business towards integrated information and materials flow management enabling versatile messaging and logistics solutions.

Ireland

Competition is also experienced in Ireland. DX Ireland, which already handles 40,000 pieces of mail a night for solicitors, banks and financial institutions won a three year contract worth €1m to provide business mail services to the Registry of

[16] Economist, v. 382, n. 8512, 2007

Deeds Offices.[17] An outcome of market liberalisation is that a large number of major and minor players exist in Ireland in the parcels, courier, express and international markets. Exhibits eight and nine respectively list authorised operators and present key financial data of the parent companies of certain operators.

For An Post, 87% of volume is business mail, in line with the EU average of 88%. Up to 67% of EU business mail is business-to-consumer.[18] This figure is expected to increase as the consumer-to-consumer segment declines and as addressed direct mail increases. Like most other postal operators in Europe An Post is heavily dependent on a small number of key customers for mail revenue.[19] Just under 80% of mail is now paid by customer-owned franking meter or by Ceadunas (paid under licence) for which An Post offers variable discounts based on volume levels, pre-sorting and deferred delivery options. To offer these types of discounts An Post sought an interim price increase in 2006, claiming that it has had to absorb wage cost increases of 18.9% agreed under National Pay Agreements between August 2003 and May 2007, and also increases in energy and fuel costs. The effective date of any interim price increase would be 1st March 2007, 42 months since An Post last increased prices for letter mail in the 'reserved area'[20].

FUTURE PROSPECTS

Not all commentators[21] subscribe to the need for price increases with some suggesting that further price increases will have a negative impact on the already declining growth rate of letter mails. They argue that with continued growth expected in GDP, in population and in e-commerce over the coming years An Post should pursue a no-price-increase policy making its products cheaper in the long run and promoting growth. The experience of other postal operators may support this view. For example, the Swiss generate 749 mail items per person per year, the USA averages 670 and Norway averages 574. Ireland generated only 183 per person in 2005

[17] Business & Finance, 16 November, 2006.
[18] WiK Consult Final Report 'Main Developments in the Postal Sector 2004-2006' for the EU commission, 2006.
[19] CEO presentation to An Post Group of Unions Conference, 1 March 2007 on 'The Future of the Irish Postal Service'.
[20] An Post Application to ComReg for Interim Price Increase, 6 December 2006.
[21] An Post: A new vision. Report commissioned by An Post Group of Unions, May 2006.

suggesting that letter per capita in Ireland has scope for growth[22]. Others argue that volume growth driven by low prices, for example via direct mail, will merely increase costs and create network capacity issues for An Post and therefore such growth should be avoided.[23]

An Post also referred, in its price application, to declining mails volumes due to e-substitution. Other postal operator's activities suggest an alternative view. In the run up to Christmas 2005 Royal Mail delivered 70 million items that had been ordered on-line over the Internet. In the USA the on-line DVD order business alone added 100 million pieces per year to the mailstream.[24] Web auction company, eBay, is said to have generated an additional $1 billion (approximately €1.3 billion) in priority postage for the USPS in just two years. In response to demand from eBay sellers the USPS launched a new flat-rate mailing box, the 'shoe-box', which comes with both the eBay and USPS logos.[25] According to the European Mail Order and Distance Selling Trade Association, representing 2,000 companies in 21 countries, the presence of eBay has developed consumer and retailer confidence and trust in e-commerce, particularly in countries that have not been strong in mail-order. They also state that the development of on-line sales is directly linked to Internet penetration, broadband access and the performance of postal operators in particular.[26] They suggest that the market for on-line sales is developing synergies with traditional mail, as many consumers like to browse, mark and refer to hard-copy catalogues before ordering on-line. They also report that 2005 saw a 10% increase in on-line sales, with 29% of retailers carrying out cross-border transactions through e-commerce.

Due to this evident growth from e-commerce big brands such as TNT, DHL (DPWN), UPS, GLS (Royal Mail) and DPD (La Poste) are becoming interested in the small to medium sized mailers. DHL intends to double its access points from 15,000 to 30,000 by 2008 and UPS is using a franchising model to expand its access and distribution. In response to Hermes's capture of market share in the consumer-to-consumer segment (up to 22% in 2005) and in the business-to-consumer segment in

---

[22] An Post: A new vision. Report commissioned by An Post Group of Unions, May 2006
[23] An Post response to report commissioned by the An Post Group of Unions
[24] Postal Technology International, June 2006, p.14.
[25] Rocky Mountain News, Denver, Colorado, USA 6 Nov, 2006.
[26] www.emota.org/onderwerpen/press. Accessed 12 March 2007.

Germany (up to 35% in 2005) DHL has targeted customers and small business with a 10% price cut.[27]

Other approaches to serving and retaining this market can also be observed. Regional operators have banded together to build regional logistics. For example, Norway and Denmark set up Pan-Nordic Logistics (PNL) to service the Nordic countries. An Post operates a number of bilateral commercial agreements with competitors of postal operators in some European countries in order to assure high quality of delivery in parcels and express markets, for example with Express Parcels in Northern Ireland and with ANC in the UK.

Due to strong rivalry among incumbents in the industry companies keep to themselves figures on market share and on revenues by market segment. However, the European Commission estimates that 'the total revenues earned in EU parcels and express markets at €33billion in 2000 and €36billion in2001'.[28] According to the Universal Postal Union, which is the international cooperative for all national postal authorities, the 28 industrialised country members hold 28% of the domestic and 18% of the international parcels market.[29]

DELIVERING THE FUTURE

At his announcement confirming liberalisation of the EU postal market for 1st January 2009 EU Commissioner McCreevy stated that countries that had fully opened their postal markets to competition were reaping benefits.

> *"All have shown, not only that market opening is feasible but those who opened up and started early gained the most. There is no reward for sitting on the fence".*

Not one for sitting on the fence the new Chief Executive, on taking up his position, immediately sought approval from the Board of An Post to pay employees €20 million in frozen wage increases due from 2003 under national pay agreements. Commenting on this development, the Communications Workers Union said that 'while many serious challenges face our members in An Post, no one can deny that

---

[27] WiK Consult Final Report 'Main Developments in the Postal Sector 2004-2006' for the EU commission, 2006

[28] An Post: A New Vision, report commissioned by An Post Group of Unions, May 2005, p.56

[29] UPU Postal Market Review 2004 and UPU Postal Network Figures: www.upu.org.

this decision is a very good start by the new CEO'.[30] Notwithstanding this 'very good start' the real issue is what An Post must do to 'get off the fence' and meet 'the many serious challenges' ahead? Should An Post concentrate on defending the domestic market? Should An Post look to grow this market? Should An Post look for an ally in these uncertain times?

[30] Irish Independent, 30th August, 2006

Exhibit One *Regulatory timeline and impact of market liberalisation* [31]

Date	**Regulatory Change**	**% of market open to competition**
Feb 1999	Items over 350g and charged at five times the basic letter stamp rate	29%
1 Jan 2003	Items over 100g and charged at three times the basic letter stamp rate	37%
1 Jan 2004	All outgoing international mail open to competition	44%
1 Jan 2006	Items over 50g and charged at 2.5 times the basic letter stamp rate.	58%
1 Jan 2009	Full liberalisation	100%

Exhibit Two *An Post Performance 2001 – 2006*[32]

	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Turnover	€624.9m	€683.7m	€709.2m	€750.2m	€752.9	€818.8
ComReg next-day measure	N/A	N/A	N/A	71%	73%	74%
Payroll costs	Averaged at 69% of revenue					
Payroll costs, change	Increased by 13.4%	Increased by 11%	Pay frozen. (However all arrears of national pay agreements were made in 2006- expected to amount to 18.9% pay increase to May 2007)			
Key Areas of loss	Retail network €(13M) USO (€6.6m)	Retail network €(1.2m) USO (€16.5m)	Retail network €(1.2m) USO (€38.5m)	USO (parcels) (€4.4)	Not yet reported	

[31] An Post Annual Reports, 2001 and 2005.
[32] An Post Annual Reports

Exhibit Three *Key statistics for An Post*[33]

An Post	**2006**	**2005**	**2004**
Turnover	€818.8m	€753m	€750m
Operating Profit	€14.7m	€16m	€1.7m
- Mails	72%	72%	71%
- Post Offices	17.6%	18%	18%
- Other	8.6%	9%	11%
Tariff Index (2000 = 100)		96.4	98.5
Items delivered		756.9m	757.2m
Items per capita		183	187
No. of deliver points	1.99m	1.88m	1.76m
No. of company Post Offices	84	88	90
No. of sub-post offices	1,277	1,321	1,365
No. of motor vehicles	2,991	2,905	2,908
No. of posting letter boxes		4,500	4,500
Pay (as % of costs)	70%	70%	67%
An Post Employees (Full time equivalents)	10,012	11,296	11,440
Contractors/Agents	1,300	1,321	1,365

[33] An Post Annual Reports, 2005 and 2006

Exhibit Four *Performance measures for European postal operators*[34]

	Population 2005	Population Density per Km^2 2005	% Revenues from Letter Mail 2005	Mail items per capita 2005	% revenues from parcels 2005	Basic Tariff 2004	Pay as % costs	Next-day delivery standard 2005
Small Operators								
Ireland	4.1m	60	72%	183	In letters	48c	69%	72%
Finland	5.3m	17	60%	521	26%	65c	55%	96%
Portugal	10.5m	114	82%	190	3%	45c	58%	96%
Medium Operators								
Austria	8.2m	99	76%	554	13%	55c	61%	94%
Denmark	5.4m	125	57%	269	10%	60c	68%	94%
Sweden	9m	22	53%	334	28%	60c	50%	96%
Large Operators								
France	60.5m	98	58%	321	6% (excludes DPD)	53c	62%	79%
Netherlands	16.3m	481	32%	326	Not stated	39c	38%	97%
UK	59.7m	247	70%	356	Not stated	44c	66%	91%
Germany	82.7m	231	28%	264	57%	55c	35%	95%

[34] EuroStats 2007; Universal Postal Union statistics; WiK Consult Final Report 'Main Developments in the Postal Sector 2004-2006' for the EU commission, 2006

Exhibit Five ***Developments in An Post since its commercial mandate***

4th Jan 1984	First day of operation of An Post Ltd – a commercially-mandated state company
1987-1993	Focus on cost reductions through company/union productivity agreements to reduce retail branch system size and introduce roadside deliver letterboxes. Creation of separate business unit – SDS to focus on recapturing the parcel and courier market.
1993 – 2002	Implementation of counter automation programme, and of mails processing automation. Transfer of mails distribution from rail to road and concentration of mails processing into four mails centres in Dublin, Athlone, Portlaoise, Cork... Cessation of second deliveries. Exploration of strategic alliance with other European Postal Operators. Acquisition of same day courier; overnight courier and logistics companies. Creation of separate business units – Letter Post and Post Offices. Purchase of e-commercell (UK & Spain), Kompass (Irl), Air Business (UK) Joint ventures formed with FexCo; Western Union; Formation of PMI (database and marketing) from former joint operation with Equifax. Kompass (Irl) was later purchased and assimilated into PMI to form DataIreland Increased sales and marketing activity: formation of Key Account management; utilisation of CRM; set-up of Customer Services Centre.
2003 – 2006	Pay freeze in place. Conversion programme for retail company offices to owner/contractor office. Cessation of separate business units Letter Post, Post Offices and closure of SDS (parcel/ courier business) and re-integration into mails operation. First price increases for letter mail items in over 12 years. Sale of e-commercell (UK & Spain). Joint operation with AIB. Joint venture with Fortis announced. Productivity agreements concluded with each of the four unions to reduce workforce by 1,200.

Exhibit Six *Worldwide postal services usage*

	Letter Mail	Parcels & Logistics	Financial Services	Other Products
Africa	60%	10%	19%	11%
Latin America & Caribbean	62%	20%	3%	15%
Asia & Pacific	31%	13%	42%	14%
Europe & CIS	44%	6%	26%	24%
Arab Countries	45%	4%	30%	21%
Industrialised Countries (includes Ireland)	60%	25%	12%	3%

Exhibit Seven *Market Share in the European parcel and express market (2004)*[35]

<table>
<tr><th>Parcel/Express Operator</th><th>TNT estimates</th><th>DPWN estimates</th></tr>
<tr><td>DHL</td><td>23%</td><td>20%</td></tr>
<tr><td>TNT</td><td>11%</td><td>11%</td></tr>
<tr><td>UPS</td><td>6%</td><td>8%</td></tr>
<tr><td>Fedex</td><td>2%</td><td>2%</td></tr>
<tr><td>La Poste (DPD)</td><td rowspan="3">58%</td><td>12%</td></tr>
<tr><td>Royal Mail (GLS)</td><td>8%</td></tr>
<tr><td>Others</td><td>39%</td></tr>
</table>

[35] WiK Consult Final Report 'Main Developments in the Postal Sector 2004-2006' for the EU commission, 2006

Exhibit Eight ***Authorised Postal Operators in Ireland***[36]

Central Logistics Ltd
Connect Couriers
Cyclone Couriers
Delta Express
DHL Express (owned by Deutsche Post WorldNet)
Document Express Postal Services (DEPS)
DX Ireland
Fastrack
FedEx Express
First Direct Logistics/Medical/Quickstream/Brief/ Cobra/Rapid Despatch/ FDS Worldwide Couriers
General Logistics Systems Ireland
Hurricane Couriers
INDN City Express
Interlink Ireland/Interlink Express (owned by La Poste)
Irish Swift Post
Lettershop services
Nightime
TNT
Olympus Couriers Ltd
Pony Express
Relay Express
River International Forwarding Ltd
Roadrunner Couriers LTD
Securispeed Despatch
Spring (Royal Mail, Singapore and TNT joint venture on international mails)
Streetlink Couriers
Target Express Ireland
UPS
Wheel Couriers (An Post owned)
World Courier Ireland Ltd

[36] Authorised means approved by ComReg to provide services as specifically notified to the regulator. All postal operators with a turnover in excess of €500,000 must be authorised to operate in Ireland

Exhibit Nine ***Key financial data for certain national postal operators authorised to compete in Ireland***

Royal Mail Group	**2005**	**2004**	**Services from Ireland**
- Revenues	£9,056m	£8,956m	Offers international mail through Spring Delivers logistics through GLS
- Operating profit	6.5%	5.8%	
TNT	**2005**	**2004**	**Services from Ireland**
- Revenues	€10,105m	€9,106m	Offers national and international express; international mail.
- Operating profit	9%	9%	
Deutsche Post	**2005**	**2004**	**Services from Ireland**
- Revenues	€44,168m	€43,168m	See DHL (Ireland)
- Operating profit	8%	7%	

Spring is the brand name for a global joint venture in cross-border mail between TNT, Royal Mail Group and Singapore Post.

DHL (Ireland) is now a single entity comprising the former Securicor, Omega Express, Danzas Eurocargo and DHL International businesses, now wholly owned by DeutschePost Worldnet.

GLS employs 11,000 people and operates in 34 states across Europe. GLS contributed 12% to Royal Mail Group revenues and over 30% to group profits for the year 2005-2006.[37]

DPD, which employees 22,000 and has 500 depots across Europe, is owned by La Poste, through a subsidiary, GeoPost which owns the Interlink brand.

[37] Royal Mail Annual Report 2005-2006.