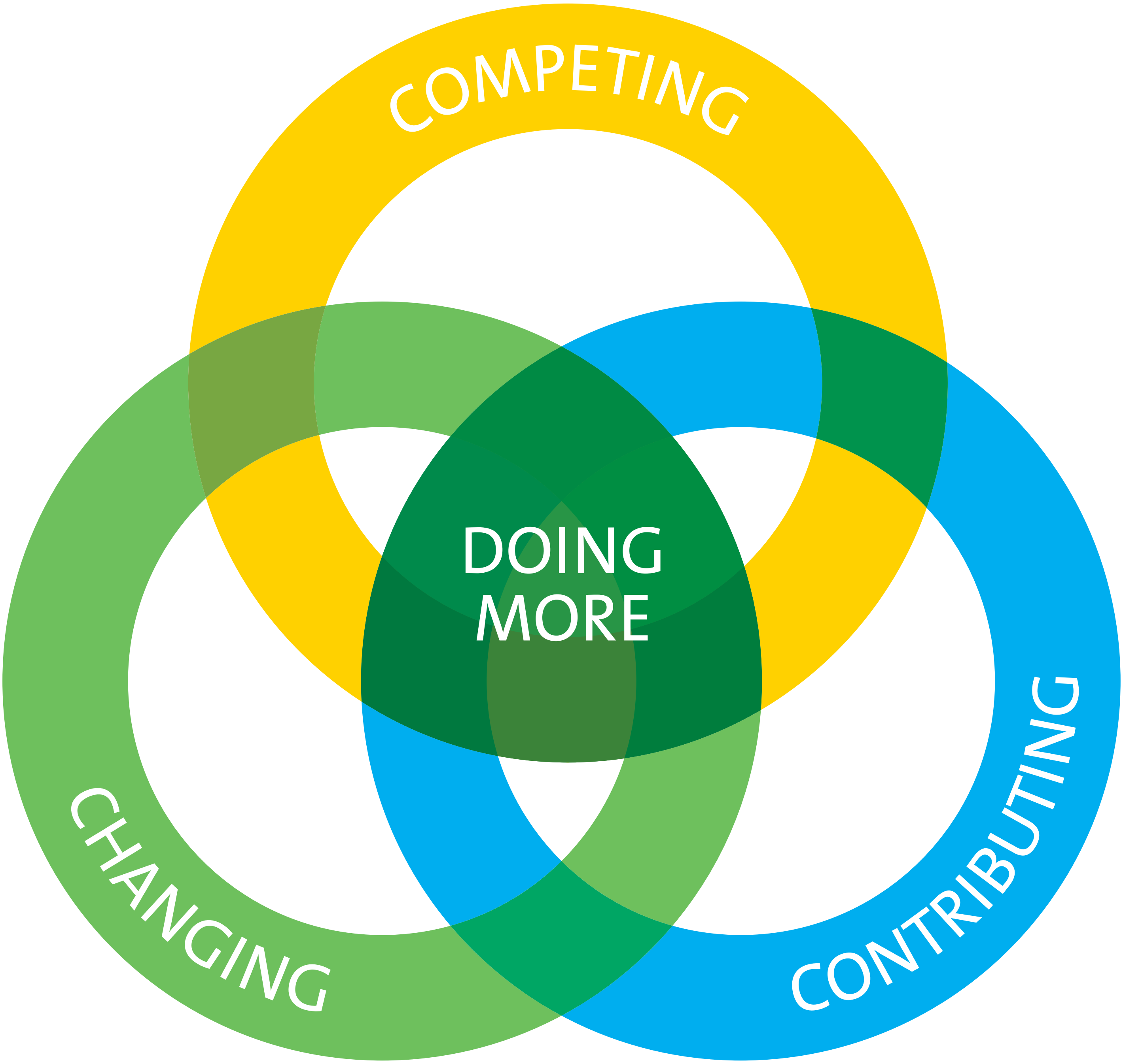
COMPETING
DOING MORE
CHANGING
CONTRIBUTING

CONTENTS

These Summary Regulatory Financial Statements are an extract from the 2012 Regulatory Financial Statements.

FINANCIAL SUMMARY

An Post Universal Service Obligation (USO)
Year ended 31 December 2012

	2012 (Note 1)			2011 (Note 2)		
	Former Reserved Area	Former Non Reserved Area	Total USO	Former Reserved Area	Former Non Reserved Area	Total USO
Volumes ('000s)	355,247	149,237	504,484	399,283	120,808	520,091
	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	179,132	186,127	365,259	195,094	169,760	364,854
Payroll Costs	185,327	143,317	328,644	187,593	136,861	324,454
Non Payroll Costs	44,181	61,292	105,473	47,744	56,383	104,127
Total Expenditure	229,508	204,609	434,117	235,337	193,244	428,581
(Loss)	**(50,376)**	**(18,482)**	**(68,858)**	**(40,243)**	**(23,484)**	**(63,727)**

Note 1: 2012 Regulatory Accounts are prepared in accordance with ComReg's decision on the Postal Regulatory Framework setting out the services to be provided by An Post in the provision of the Universal Service. (ComReg Document 12/81). The regulation is set out in Statutory Instrument S.I. No. 280 of 2012, Communications Regulation (Universal Postal Service) Regulations 2012.

Note 2: 2011 comparatives have been re-categorised to reflect the new USO definition per ComReg Document 12/81.

BUSINESS REVIEW

During 2012 the Company maintained its strategic focus, continuing to adapt internal structures, products, service offerings, work practices and workflows to the evolving business environment.

Our strategic investment programme has positioned us to compete at the highest level, enabling us to meet the ever-changing needs of our customers now and into the future. Equally, we continue to focus on areas which can generate new and enhanced revenue. An Post is now among the world's best postal service providers in terms of service quality and we remain dedicated to sustaining this position on an ongoing basis.

We are midway through our ambitious Change Programmes and have built on the achievements of previous years including:

- A reduction in annualised operating costs of €100m
- A core Company workforce reduction of 1,284 full time equivalents (FTE), while increasing mails service quality to record levels
- Substantial growth in the turnover of subsidiary companies which increased their contribution to the Group
- Continued strong retail performance

This approach will continue as An Post, in common with other global postal operators, deals with declining mail volumes, increased electronic substitution and significant changes in the business environment.

In monitoring performance, the directors and management have regard to a range of key performance indicators (KPIs), including the following:

KPI

	Performance in 2012	Performance in 2011
Group Operating Result		
Operating (loss)/profit as a percentage of turnover	(2.2%)	0.3%
Staff costs as a percentage of total operating costs	59.9%	61.7%
Postmasters' costs as a percentage of total operating costs	9.7%	10.0%
Other operating costs as a percentage of total operating costs	30.4%	28.3%
Cash at bank and in hand	€112.1m	€150.1m
Staff - Average Full Time Equivalents (FTE)		
Company	9,641	10,037
Subsidiaries	748	612
Group	10,389	10,649
Company year end FTE run rate	9,073	9,422
Mail business		
Letters core revenue index	(5.2%)	(7.0%)
Customer Service		
Written complaints	23,443	27,814
Telephone enquiries	475,414	511,827

FINANCIAL REVIEW

Group turnover for 2012 was €807.3m, marginally ahead of the previous year's €806.7m.

The Group operating loss of €17.5m was impacted by further decline in core mails volumes, delays in securing approval from the Commission for Communications Regulation (ComReg) for necessary price adjustments and some delays in implementation of our cost reduction programmes. Postal Operators dealing with the particular challenges of the postal market must be able to price products and services according to market forces, and in this regard An Post looks forward to the successful introduction of the new price cap mechanism in 2014. These results also reflect a most challenging domestic economy.

	2012 €m	**2011 €m**
Turnover	807.3	806.7
Group operating (loss)/profit	(17.5)	2.2
Net assets (excluding pension liability)	297.3	319.0

The financial year 2012 ended with a Group Operating Loss of €17.5m compared to a Group Operating Profit of €2.2m the previous year. However, comparison of the two years is skewed by the exceptional €28m revenue generated by the General Election and Presidential Election mailings in 2011.

Revenue

Overall mails revenue in 2012, excluding elections, was 1.1% lower than 2011. The volume of traditional mail reduced by 5.2% in the course of the year, with the rate of decline slowing significantly from 6.8% in the first half of the year to 3.6% in the second half.

Compensating to some degree for the above mentioned decline in traditional mail volume was growth in parcels and packet volumes, price increases in some non-USO services and USO services for items weighing greater than 50 grams and new improved rates payable to the Company by international postal administrations and mail operators for delivering their mail in Ireland.

Revenue in the retail division held up well at €169m compared with €171.6m the previous year. The value of State Savings reached €16.3 billion by the end of December 2012, an increase of €2.2 billion on the prior year. Other new retail income streams showed encouraging growth including commission-free Sterling and Dollar sales and additional agency services for AIB, Danske Bank and other financial services and utility providers.

Subsidiaries

Revenue from An Post subsidiary businesses increased to €111m from €80m, generating a profit before tax and goodwill of €8.5m. This reflects solid growth in the primary subsidiaries which continue to perform strongly in their respective markets and which benefit greatly from their association with the post office network. The takeover by One Direct of Aviva's local motor and home insurance branch business, as they closed their branch network in the Autumn, and the continued growth of The Gift Voucher Shop (One4All) are positive indicators for the year ahead. Profit margins remain strong across the businesses.

Pricing
Ongoing price adjustments coupled with ongoing cost reduction and new revenues are an essential part of the Company's business plan. The Communications Regulation (Postal Services) Act, 2011 provides for the introduction of a Price Cap Mechanism for services within the scope of the Universal Service where ComReg is of the opinion that there is no effective competition in the market for the supply of the postal service concerned. The Price Cap Mechanism means an overall limit on the annual percentage change in prices based on the annual percentage change in the Consumer Price Index (CPI) and includes an adjustment to incentivise the efficient provision of the relevant services. The introduction of an appropriate Price Cap Mechanism is essential to the achievement of the Company's objective of securing regular and necessary price adjustments in the years to come.

Costs
Change programme implementation continued apace over the course of the year. In the period since 2008 the core company has achieved an FTE reduction of 1,284 and the cost of labour has reduced by €53.4m. In the year 2012 labour hours equated to 9,641 FTE's. This was 396 lower than in 2011 and reflects the impact of ongoing change programmes on the cost base.

Core non-pay costs were reduced by €4m in 2012. There has been inflation in some areas such as fuel and electricity which is being offset by savings in the cost of professional services and other cost categories. Additional costs were incurred in the servicing of incremental parcel and packet handling where we are increasing our market share of national and international business.

Cash
The cash resources of the Group at 31 December, 2012 were €112m (€150m in 2011). During the year €28m was invested in capital expenditure and €17m in voluntary service/voluntary early retirement schemes. The cash impact of the trading loss of €17.5m is mitigated by the non-cash depreciation and amortisation charges of €25m.

Fixed Assets
Capital expenditure in 2012 amounted to €28m. There were no significant asset disposals during the year. Further capital spend of the same magnitude is planned for 2013, including the completion of investment in the latest generation of mails processing equipment.

Pension Schemes
The An Post balance sheet at 31 December 2012 includes a pension deficit of €285m (€484m in 2011). Assumptions that are in line with industry norms are used in the calculation of charges and the balance sheet deficit. These are primarily a discount rate of 4%, long run pay/pension inflation of 1.5% and investment return of 7.5% for equities, 3% for bonds and 4% for other asset classes.

Pension Schemes such as the defined benefit scheme at An Post have to address the requirements of the Pensions Board for Minimum Funding Standards. An Post expects to be in a position to make the changes necessary to the scheme so that it can attain the necessary minimum funding standard, as laid down by legislation.

Outlook
2012 is the first year to record a Group operating loss since 2003. This is not sustainable in the medium term. Implementation of the ongoing change programmes, achieving price re-alignment and the growth of new revenue streams in core and subsidiary businesses are the key drivers in achieving a return to profitability.

USO PERFORMANCE

Year ended 31 December 2012

	2012			2011		
	Former Reserved Area	Former Non Reserved Area	Total USO	Former Reserved Area	Former Non Reserved Area	Total USO
Volumes ('000s)	355,247	149,237	504,484	399,283	120,808	520,091
	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	179,132	186,127	365,259	195,094	169,760	364,854
Total Expenditure	229,508	204,609	434,117	235,337	193,244	428,581
Loss	**(50,376)**	**(18,482)**	**(68,858)**	**(40,243)**	**(23,484)**	**(63,727)**

Under Directive 2008/6/EC, the Reserved Area was abolished on 31 December 2010.

Specific items included in the Statutory Accounts have been excluded from the Regulatory Accounts in line with the Accounting Policy on Excluded Items as outlined in the Regulatory Accounting Principles and Basis of Preparation. Reconciliation to the profit in the Statutory Accounts is included in Note 3 to these Accounts.

USO Volumes and Revenues
Domestic and International Outbound stamped and metered volumes are derived from revenue based on a Sampling Plan. This plan was designed by PricewaterhouseCoopers and audited as being in accordance with the relevant standard (IS:EN 13850:2002) by the National Standards Authority of Ireland (NSAI). During 2012, tariff data observed during the sampling process was used in the calculation of revenue derived volumes. This observed tariff data is consistent with published tariffs and this refinement did not impact on the calculation of USO volumes. While overall volumes declined by 5% (excluding elections), USO volumes declined by 3% during the period.

Price
On 1 May 2012, prices for USO items weighing more than 50 grams were increased.

Costs
Further progress was made on change programme implementation during the year with a further 396 FTE reductions achieved in 2012.

Profit/(loss)
An analysis of the USO performance categorised by segment (i.e. domestic, inbound international and outbound international), is shown below.

	2012			2011		
Profit/(Loss) (€'000)	Former Reserved Area	Former Non Reserved Area	Total USO	Former Reserved Area	Former Non Reserved Area	Total USO
Domestic	(41,505)	(7,677)	(49,182)	(28,843)	(11,301)	(40,144)
Inbound International	(8,871)	(2,478)	(11,349)	(11,400)	(3,226)	(14,626)
Outbound International	-	(8,327)	(8,327)	-	(8,957)	(8,957)
Loss	**(50,376)**	**(18,482)**	**(68,858)**	**(40,243)**	**(23,484)**	**(63,727)**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of An Post is responsible for the preparation of Regulatory Financial Statements as required by the Communications Regulation (Postal Services) Act, 2011 ('the Act') and the Accounting Direction issued by ComReg ('the Direction').

These Summary Regulatory Financial Statements have been prepared in accordance with the Regulatory Accounting Principles and Basis of Preparation set out on pages 10 to 12.

The Directors confirm that, in preparing the Regulatory Financial Statements:

- The Regulatory Financial Statements have been prepared using accounting systems operating on the basis of objectively justifiable cost accounting principles that assign cost and revenue data to products
- Costs and revenues have been directly allocated to products as far as practicable. Common operational costs that cannot be directly assigned are attributed to products using appropriate cost drivers as required in the Direction. In line with the activity based costing approaches, estimates are required and have been applied. Where there is no obvious driver to assign overhead costs to products, a general allocator is used to assign the costs
- The Regulatory Financial Statements have been prepared in accordance with the An Post Accounting Manual for the year commencing 1 January 2012 (the 'Accounting Manual') and the Regulatory Accounting Principles and Basis of Preparation set out on pages 10 to 12, the Act and the Direction
- The Regulatory Financial Statements are based on the financial records of the business and have been reconciled to the audited An Post Statutory Accounts

In addition, the Directors are responsible for the design and implementation of procedures and processes appropriate to enable them to prepare Regulatory Financial Statements in accordance with the Regulatory Accounting Principles and Basis of Preparation, which have been designed to meet the requirements of the Act and the Direction. These procedures and processes have been documented in the Accounting Manual.

Signed on behalf of the Board of An Post

Patrick Compton, **Director**
Donal Connell, **Director**

REPORT OF THE INDEPENDENT AUDITOR ON SUMMARY REGULATORY FINANCIAL STATEMENTS TO THE DIRECTORS OF AN POST AND COMREG

Independent Auditor’s report to the Directors of An Post (‘the Company’) and the Commission for Communications Regulation (‘ComReg’, ‘the Regulator’) on the summary regulatory financial statements

The accompanying summary financial statements for the year ended 31 December 2012, which comprise the regulatory profit and loss accounts, the regulatory balance sheet and the related notes are derived from the audited regulatory financial statements of An Post for the year ended 31 December 2012. We expressed an unmodified audit opinion on those financial statements in our report dated 30 May 2013.

The summary financial statements do not contain all the disclosures required by the Communications Regulation (Postal Services) Act, 2011 (‘the Act’) and the 2006 Accounting Direction issued by ComReg (the ‘Direction’). Reading the summary financial statements, therefore, is not a substitute for reading the audited regulatory financial statements of An Post.

Our opinion is provided solely for the purpose of reporting to the directors and Regulator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our work, for this statement, or for the opinions we have formed.

Directors’ responsibility for the summary financial statements
The Directors’ responsibilities for preparing the Regulatory Financial Statements in accordance with the Regulations and the Direction and are set out in the Statement of Responsibilities on page 7. The Directors are responsible for the preparation of a summary of the audited financial statements on the basis described on Page 10.

Auditor’s responsibility
Our responsibility is to express an opinion on the summary regulatory financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, E*ngagements to Report on Summary Financial Statements.*

Our opinion on the Regulatory Financial Statements is separate from our opinion on the statutory accounts of the Company on which we expressed an unqualified audit opinion on 27 March 2013, which are prepared for a different purpose. Our audit report in relation to the statutory accounts of the Company (our statutory audit) was made solely to the Company’s members, as a body, in accordance with section 193 of the Companies Act 1990. Our statutory audit work was undertaken so that we might state to the Company’s members those matters we are required to state to them in a statutory auditor’s report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company and the Company’s members as a body, for our statutory audit work, for our statutory audit report, or for the opinions we have formed in respect of that statutory audit.

Opinion

In our opinion, the summary regulatory financial statements derived from the audited regulatory financial statements of An Post for the year ended 31 December 2012 are consistent, in all material respects, with those regulatory financial statements, on the basis described on Page 10.

Those financial statements, and the summary financial statements, do not reflect the effects of the events that have occurred subsequent to the date of our report on those financial statements.

KPMG

Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

30 May 2013

REGULATORY ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

Obligation to produce the Regulatory Financial Statements
The legal background to the accounting requirements placed on An Post as a Universal Services Provider is contained in the following two documents:

- Section 31 of the Communications Regulation (Postal Services) Act, 2011 ('the Act')
- Direction on the Accounting systems of An Post issued by ComReg on 8 December 2006 (the 'Direction')

General
The Regulatory Financial Statements are based on the financial records of the business and are reconciled to the operating profit and the Balance Sheet as reported in the An Post Statutory Accounts on which the Auditors have expressed an unqualified opinion. The Regulatory Financial Statements have been prepared in accordance with the accounting policies as set out on pages 45 to 48 of the An Post Statutory Accounts 2012 unless otherwise stated.

The Regulatory Accounts have been prepared adopting the following principles:

- Policies as documented in the Accounting Manual, which reflects the requirements of the Direction
- Accounting Policies for the Profit and Loss statements are consistent with Irish GAAP as applied in the An Post Statutory Accounts.

In cases of conflict the principles as documented in the Accounting Manual prevail.

Basis of Preparation of Summary Regulatory Financial Statements
The Summary Regulatory Financial Statements are an extract from the 2012 Regulatory Financial Statements. They have been prepared for publication in line with Section 31 of the Communications Regulation (Postal Services) Act 2011 ('the Act'). The form and content of these Summary Regulatory Financial Statements have been agreed with ComReg and include:

- Profit and Loss Account for Universal Service and Mails Business Segment
- Profit and Loss Account for each Business Segment
- Summary Profit and Loss Account for Mails Business Segment
- Summary Profit and Loss Account for each Universal Service
- Notes to Summary Regulatory Financial Statements

Accounting Manual
An Post prepares and submits an Accounting Manual to ComReg on an annual basis in line with the requirements set down by ComReg in the Direction.

Under the Direction, An Post is required to:

- document in an Accounting Manual the procedures and policies being used in the preparation of its Regulatory Financial Statements
- document in the Accounting Manual the procedures undertaken to establish the processes used to identify revenues and mail volumes, by service
- review the Accounting Manual annually
- make the Accounting Manual subject to review by a competent body as and when required by ComReg
- obtain ComReg's approval for each annual edition of the Accounting Manual in advance of the start of the relevant regulatory period

Accounting Records
Processes have been developed and estimates have been applied in determining the assignment of costs and revenues to products. The records are not those that would exist if each of the Services was carried on by a separate business.

This is consistent with the records supporting the production of previous Regulatory Financial Statements.

General Principles
The Profit and Loss Statements by product have been prepared by applying activity based costing methods and principles to the financial records of the business to assign costs. The resulting statements present the fully allocated costs of products.

Costs have been directly assigned to products as far as practicable. Common operational costs that cannot be directly assigned are attributed to products using appropriate cost drivers in line with the Direction. Where no appropriate driver is identified, costs are allocated to products using a general allocator. As with any activity based costing methodology, estimates and judgements are required and have been applied in order to comply with the requirements of the Direction.

The Regulatory Financial Statements have been prepared on a consistent basis from year to year, with the exception that:

I. Some bulk mail services have been reclassified as non USO services following ComReg's decision in relation to the Postal Regulatory Framework (ComReg Document 12/81).
II. Some cost previously allocated using a general allocator are now allocated on a weighted volumes basis.

Profit and Loss Statements
Revenue is made up of external turnover plus internally recognised income for core services (supplied within the Company). Revenue is assigned directly to the appropriate product, with the exception of stamp and meter revenue. Stamp and meter revenue is assigned to An Post products by applying a statistical analysis of mail stream characteristics. The revenue from value added products is calculated from the volumes recorded by the Track and Trace system.

Postage income is recognised as sales are made, with an adjustment for stamps sold and unused, and balances in postage meter machines unused at the year end.

Volumes
Volumes are a key driver in the allocation of costs.

Revenue derived traffic methodology, based on reported revenues and sampling, have been used as the basis for measuring domestic and outbound international stamped and metered traffic volumes. The Sampling Plan is designed to meet the requirements of the Accounting Direction.

Non stamped and metered traffic (namely account traffic volumes) are primarily sourced from billing or track and trace systems.

Inbound international traffic volumes are determined by applying a statistically derived items per kilo (IPK) to the weight of mail received from international destinations.

Operating costs
For the purposes of the Regulatory Financial Statements, pay and non pay costs are separately identified and within each heading are further categorised between Revenue Collection, Collection, Outward sorting, Transport, Inward Sorting and Preparation and Delivery.

Activity analysis
The hours worked by operational staff in performing their daily duties are recorded by work activity in a database that reconciles to the payroll system. This facilitates Pay costs to be assigned to activities based on the time spent by staff on specific activities.

Other costs have been assigned to activities by the use of appropriate drivers.

Internal Trading and Transfer Charging
An Post operates in different businesses and internal trading occurs where one business makes use of another's services. Transfer charges are raised for internal trading and eliminated on consolidation. Charges made for core services provided by the Mails business to other parts of the Company are accounted for within revenue, whilst charges incurred by An Post Mails business for other services are accounted for within other operating charges.

Disposal of property, plant and equipment
Profits and losses on the sale of properties have been assigned to non-letters services (i.e. excluded from the Regulatory Financial Statements total).

Excluded items
Items below (Operating profit/loss – continuing operations) are excluded from the Regulatory Financial Statements. These items include:

- Exceptional items as noted in the Statutory Accounts
- Other Finance Income (net)
- Taxation

In addition, items included in the Operating profit/loss – continuing operations in the An Post Statutory Accounts are excluded from the Regulatory Accounts if they are not relevant to the accounting period. Where items relating to the immediately preceding year are excluded from the current year, the prior year comparatives will not be re-stated.

Other items may be excluded, following a case by case review, in order to ensure that the Regulatory Financial Statements are in compliance with the Direction. These items will be explained in the Notes to the Accounts.

Comparatives
The restatement of comparative figures is only required in the event of a fundamental error or a change in accounting policy, as is the case with the Statutory Financial Statements. In 2012, the definition of the Universal Service was changed per ComReg Document 12/81. All bulk mail services, with the exception of two bulk mail services were reclassified as Non USO. The 2011 accounts have therefore been reclassified accordingly to reflect the position had this change been implemented from January 2011.

Regulatory Accounts by their nature make use of estimation and sampling techniques. Improvements continue to be made in these areas resulting in more robust financial data. Comparatives are not restated as a result of changes in these techniques, except in the case of a fundamental error.

Reconciliation to Statutory Accounts
As certain items are excluded from the Regulatory Financial Statements, a reconciliation of both Turnover and Profit/Loss to the Statutory Accounts is prepared.

Statement of Net Assets
Assets and Liabilities specifically related to one Business Segment are recorded in the Statement of Net Assets of that Business Segment. Assets and Liabilities not wholly and exclusively related to one particular Business Segment are divided between Business Segments based on usage.

Inter company debtors and creditors, netted off in preparing the Statutory Accounts are shown gross in the Statement of Net Assets.

Certain items are not divided between Business Segments, but rather, are shown as reconciling items between the Statement of Net Assets and the Balance Sheet included in the Statutory Accounts. The excluded items are goodwill, investment in joint venture, cash, provision for charges, the pension liability (FRS 17) and other items specifically excluded from the Regulatory Financial Statements. Similarly, the inter company debtors and creditors shown gross in the Statement of Net Assets are excluded to reconcile to the Statutory Accounts.

Cash Flow Statement
A Cash Flow Statement is not included with these Accounts as there is no requirement to do so within the Direction.

Profit and Loss Account for Universal Service and Mails Business Segment

	Year Ended 31 December 2012					Year Ended 31 December 2011				
	Former Reserved Area	Former Non Reserved Area	Total USO	Non USO	Total Mails	Former Reserved Area	Former Non Reserved Area	Total USO	Non USO	Total Mails
Volumes ('000s)	355,247	149,237	504,484	288,742	793,226	399,283	120,808	520,091	340,986	861,077
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover	179,132	186,127	365,259	150,336	515,595	195,094	169,760	364,854	179,656	544,510
Payroll Costs	185,327	143,317	328,644	101,527	430,171	187,593	136,861	324,454	119,031	443,485
Non Payroll Costs	44,181	61,292	105,473	45,674	151,147	47,744	56,383	104,127	40,474	144,601
Total Expenditure	**229,508**	**204,609**	**434,117**	**147,201**	**581,318**	**235,337**	**193,244**	**428,581**	**159,505**	**588,086**
Total Profit/(Loss)	**(50,376)**	**(18,482)**	**(68,858)**	**3,135**	**(65,723)**	**(40,243)**	**(23,484)**	**(63,727)**	**20,151**	**(43,576)**

Profit and Loss Account for each Business Segment

		Mails		Retail Subsidiaries & Other Activities		Inter-Segment transactions		Adjustments between Regulated & Statutory Financial Accounts		Group Operating Results - continuing operations (as per An Post's Statutory Financial Accounts)	
	Notes	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover											
External Revenue	1	499,117	533,225	303,263	267,577	-	-	4,915	5,912	807,295	806,714
Inter-segment revenue		16,478	11,285	133,352	129,081	(149,830)	(140,366)	-	-	-	-
Segment Turnover		**515,595**	**544,510**	**436,615**	**396,658**	**-**	**-**	**-**	**-**	**-**	**-**
Expenditure											
Operating Costs											
External Costs	2	479,066	484,719	351,133	524,767	-	-	(5,420)	(4,988)	824,779	804,498
Inter-segment costs		94,892	95,888	45,346	34,790	(140,233)	(130,678)	-	-	-	-
Corporate Overheads		7,360	7,479	2,237	2,209	(9,597)	(9,688)	-	-	-	-
Total Expenditure		**581,318**	**588,086**	**214,063**	**175,342**	**-**	**-**	**-**	**-**	**-**	**-**
Net Segment Profit /(Loss)	**3**	**(65,723)**	**(43,576)**	**37,904**	**34,892**	**-**	**-**	**10,335**	**10,900**	**(17,484)**	**2,216**

Balance Sheet for each Business Segment

		Mails		Other and Excluded Items		Conolidation Adjustments		Group Balance Sheet (as per An Post's Statutory Financial Accounts)	
	Notes	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Statement of Net Assets		**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Fixed Assets	4	239,296	236,085	55,489	55,044			294,785	291,129
Debtors	5	24,403	25,743	163,957	162,985	(85,205)	(76,493)	103,155	112,235
Cash		-	-	112,105	150,064	-	-	112,105	150,064
Creditors (<1 year)	6	(91,273)	(93,897)	(179,939)	(174,168)	85,205	76,493	(186,007)	(191,572)
Net Current Assets		**(66,870)**	**(68,154)**	**96,123**	**138,881**	**-**	**-**	**29,253**	**70,727**
Creditors (>1 year)	7	**(3,360)**	**(3,461)**	(1,000)	-	-	-	**(4,360)**	**(3,461)**
Provisions for Charges		-	-	(22,352)	(39,432)	-	-	(22,352)	(39,432)
Pension Liability		-	-	(284,620)	(483,594)	-	-	(284,620)	(483,594)
Net Assets		**169,066**	**164,470**	**(156,360)**	**(329,101)**	**-**	**-**	**12,706**	**(164,631)**
Reconcilliation to Capital and Reserves									
Called-up share capital		-	-	68,239	68,239	-	-	68,239	68,239
Capital Conservation Reserve		-	-	877	877	-	-	877	877
Profit & Loss Account & Minority Interest		-	-	(56,410)	(233,747)	-	-	(56,410)	(233,747)
Shareholders Deficit		**-**	**-**	**12,706**	**(164,631)**	**-**	**-**	**12,706**	**(164,631)**

Summary Profit and Loss Account for Mails Business Segment – USO

All Geographical Segments	Universal Services										Regulatory Analysis			
	Letters		Flats		Packets		Parcels		Registered		Former Reserved Area		Former Non Reserved Area	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	446,348	458,622	32,701	35,763	17,976	18,087	1,220	1,066	6,239	6,553	355,247	399,283	149,237	120,808
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover														
Directly Attributable	83,248	80,899	6,813	5,872	18,321	16,917	12,923	11,238	23,713	25,919	51,180	64,314	93,838	76,531
Allocated using Sampling	139,135	141,569	31,510	35,238	43,060	41,267	-	-	5,052	4,593	127,831	130,735	90,926	91,932
Total Segment Revenue	**222,383**	**222,468**	**38,323**	**41,110**	**61,381**	**58,184**	**12,923**	**11,238**	**28,765**	**30,512**	**179,011**	**195,049**	**184,764**	**168,463**
Intra-segment revenue	121	45	-	-	-	-	-	-	1,363	1,297	121	45	1,363	1,297
Service Turnover	**222,504**	**222,513**	**38,323**	**41,110**	**61,381**	**58,184**	**12,923**	**11,238**	**30,128**	**31,809**	**179,132**	**195,094**	**186,127**	**169,760**
Total Direct Costs	32,678	33,970	4,458	4,996	9,031	7,633	1,750	1,431	17,864	16,756	15,092	17,889	50,689	46,897
Total Indirect Costs	173,383	126,548	24,659	21,781	36,281	28,175	6,178	4,630	12,122	9,486	151,027	117,748	101,596	72,872
Total Common Costs	77,552	111,108	9,966	18,054	14,751	21,400	3,573	5,240	9,871	17,373	63,389	99,700	52,324	73,475
Service Expenditure	**283,613**	**271,626**	**39,083**	**44,831**	**60,063**	**57,208**	**11,501**	**11,301**	**39,857**	**43,615**	**229,508**	**235,337**	**204,609**	**193,244**
Net Segment Profit/(Loss)	**(61,109)**	**(49,113)**	**(760)**	**(3,721)**	**1,318**	**976**	**1,422**	**(63)**	**(9,729)**	**(11,806)**	**(50,376)**	**(40,243)**	**(18,482)**	**(23,484)**

Summary Profit and Loss Account for Mails Business Segment continued – Non USO

All Geographical Segments	Total Non USO		Mails Results	
	2012	**2011**	**2012**	**2011**
Volume ('000s)	288,742	340,986	793,226	861,077
	€'000	**€'000**	**€'000**	**€'000**
Turnover				
Directly Attributable	135,342	169,713	280,360	310,558
Allocated using Sampling	-	-	218,757	222,667
Total Segment Revenue	**135,342**	**169,713**	**499,117**	**533,225**
Intra-segment revenue	14,994	9,943	16,478	11,285
Service Turnover	**150,336**	**179,656**	**515,595**	**544,510**
Total Direct Costs	29,203	30,952	94,984	95,738
Total Indirect Costs	73,884	58,749	326,507	249,369
Total Common Costs	44,114	69,804	159,827	242,979
Service Expenditure	**147,201**	**159,505**	**581,318**	**588,086**
Net Segment Profit/(Loss)	**3,135**	**20,151**	**(65,723)**	**(43,576)**

Summary Profit and Loss Account for Mails Business Segment continued – USO

All Geographical Segments	Domestic				International Inbound				International Outbound		Total USO			
	Former Reserved Area		Former Non-Reserved Area		Former Reserved Area		Former Non-Reserved Area		Former Non-Reserved Area		Former Reserved Area		Former Non-Reserved Area	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	301,239	333,984	95,412	69,476	54,008	65,299	20,774	19,163	33,051	32,169	355,247	399,283	149,237	120,808
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover														
Directly Attributable	51,180	64,314	60,482	46,554	-	-	4,056	3,982	29,300	25,995	51,180	64,314	93,838	76,531
Allocated using Sampling	99,592	102,276	28,708	32,684	28,239	28,459	32,194	28,918	30,024	30,330	127,831	130,735	90,926	91,932
Total Segment Revenue	**150,772**	**166,590**	**89,190**	**79,238**	**28,239**	**28,459**	**36,250**	**32,900**	**59,324**	**56,325**	**179,011**	**195,049**	**184,764**	**168,463**
Intra-segment revenue	121	45	1,363	1,297	-	-	-	-	-	-	121	45	1,363	1,297
Service Turnover	**150,893**	**166,635**	**90,553**	**80,535**	**28,239**	**28,459**	**36,250**	**32,900**	**59,324**	**56,325**	**179,132**	**195,094**	**186,127**	**169,760**
Total Direct Costs	12,329	14,772	13,331	13,530	2,763	3,117	3,420	2,951	33,938	30,416	15,092	17,889	50,689	46,897
Total Indirect Costs	126,832	97,892	58,468	39,020	24,195	19,856	24,584	17,467	18,544	16,385	151,027	117,748	101,596	72,872
Total Common Costs	53,237	82,814	26,431	39,286	10,152	16,886	10,724	15,708	15,169	18,481	63,389	99,700	52,324	73,475
Service Expenditure	**192,398**	**195,478**	**98,230**	**91,836**	**37,110**	**39,859**	**38,728**	**36,126**	**67,651**	**65,282**	**229,508**	**235,337**	**204,609**	**193,244**
Net Segment Profit/(Loss)	**(41,505)**	**(28,843)**	**(7,677)**	**(11,301)**	**(8,871)**	**(11,400)**	**(2,478)**	**(3,226)**	**(8,327)**	**(8,957)**	**(50,376)**	**(40,243)**	**(18,482)**	**(23,484)**

Summary Profit and Loss Account for Mails Business Segment continued – USO

Domestic Segment	Universal Services										Regulatory Analysis			
	Letters		Flats		Packets		Parcels		Registered		Former Reserved Area		Former Non Reserved Area	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	370,377	372,773	16,913	20,773	5,546	5,823	471	362	3,344	3,729	301,239	333,984	95,412	69,476
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover														
Directly Attributable	81,287	78,856	3,910	3,502	6,889	6,627	3,643	3,274	15,933	18,609	51,180	64,314	60,482	46,554
Allocated using Sampling	99,496	101,492	16,073	20,375	12,731	13,093	-	-	-	-	99,592	102,276	28,708	32,684
Total Segment Revenue	**180,783**	**180,348**	**19,983**	**23,877**	**19,620**	**19,720**	**3,643**	**3,274**	**15,933**	**18,609**	**150,772**	**166,590**	**89,190**	**79,238**
Intra-segment revenue	121	45	-	-	-	-	-	-	1,363	1,297	121	45	1,363	1,297
Service Turnover	**180,904**	**180,393**	**19,983**	**23,877**	**19,620**	**19,720**	**3,643**	**3,274**	**17,296**	**19,906**	**150,893**	**166,635**	**90,553**	**80,535**
Total Direct Costs	13,838	15,656	1,036	1,593	169	514	451	430	10,166	10,109	12,329	14,772	13,331	13,530
Total Indirect Costs	148,499	105,031	14,593	14,196	13,094	10,562	1,884	1,253	7,230	5,870	126,832	97,892	58,468	39,020
Total Common Costs	**62,898**	**88,711**	**5,405**	**11,603**	**4,487**	**8,142**	**1,088**	**1,848**	**5,790**	**11,796**	**53,237**	**82,814**	**26,431**	**39,286**
Service Expenditure	**225,235**	**209,398**	**21,034**	**27,392**	**17,750**	**19,218**	**3,423**	**3,531**	**23,186**	**27,775**	**192,398**	**195,478**	**98,230**	**91,836**
Net Segment Profit/(Loss)	**(44,331)**	**(29,005)**	**(1,051)**	**(3,515)**	**1,870**	**502**	**220**	**(257)**	**(5,890)**	**(7,869)**	**(41,505)**	**(28,843)**	**(7,677)**	**(11,301)**

Note 1 - Free postal service for blind and partially sighted persons, Sending books abroad etc are included under the appropriate category (i.e. letter, flats, packets) above.

Summary Profit and Loss Account for Mails Business Segment continued – Non USO

Domestic Segment	Total Non USO		Total Domestic Segment	
	2012	**2011**	**2012**	**2011**
Volume ('000s)	284,687	337,078	681,338	740,538
	€'000	**€'000**	**€'000**	**€'000**
Turnover	-	-		
Directly Attributable	117,312	153,827	228,974	264,695
Allocated using Sampling	-	-	128,300	134,960
Total Segment Revenue	**109,542**	**146,545**	**357,274**	**392,373**
Intra-segment revenue	14,994	9,943	16,478	11,285
Service Turnover	**132,306**	**163,770**	**373,752**	**410,940**
Total Direct Costs	21,998	26,270	47,658	54,572
Total Indirect Costs	67,029	53,519	252,329	190,431
Total Common Costs	39,299	64,834	118,967	186,934
Service Expenditure	**128,326**	**144,623**	**418,954**	**431,937**
Net Segment Profit/(Loss)	**3,980**	**19,147**	**(45,202)**	**(20,997)**

*Includes Other Services e.g. Firms Collections, Passport Express, Publisher Services

Summary Profit and Loss Account for Mails Business Segment continued – USO

International (Inbound) Segment	Universal Services										Regulatory Analysis			
	Letters		Flats		Packets		Parcels		Registered		Former Reserved Area		Former Non Reserved Area	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	49,971	61,360	13,145	11,841	9,126	8,810	633	600	1,907	1,851	54,008	65,299	20,774	19,163
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover														
Directly Attributable	-	-	-	-	-	-	4,056	3,982	-	-	-	-	4,056	3,982
Allocated using Sampling	21,604	23,720	12,997	11,016	20,780	18,048		-	5,052	4,593	28,239	28,459	32,194	28,918
Total Segment Revenue	**21,604**	**23,720**	**12,997**	**11,016**	**20,780**	**18,048**	**4,056**	**3,982**	**5,052**	**4,593**	**28,239**	**28,459**	**36,250**	**32,900**
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Turnover	**21,604**	**23,720**	**12,997**	**11,016**	**20,780**	**18,048**	**4,056**	**3,982**	**5,052**	**4,593**	**28,239**	**28,459**	**36,250**	**32,900**
Total Direct Costs	2,580	2,970	694	533	21	33	93	80	2,795	2,452	2,763	3,117	3,420	2,951
Total Indirect Costs	19,819	17,053	8,269	5,777	15,047	10,527	2,110	1,819	3,534	2,147	24,195	19,856	24,584	17,467
Total Common Costs	**8,623**	**14,718**	**3,279**	**4,639**	**5,465**	**7,762**	**1,197**	**2,094**	**2,312**	**3,381**	**10,152**	**16,886**	**10,724**	**15,708**
Service Expenditure	**31,022**	**34,741**	**12,242**	**10,949**	**20,533**	**18,322**	**3,400**	**3,993**	**8,641**	**7,980**	**37,110**	**39,859**	**38,728**	**36,126**
Net Segment Profit/(Loss)	**(9,418)**	**(11,021)**	**755**	**67**	**247**	**(274)**	**656**	**(11)**	**(3,589)**	**(3,387)**	**(8,871)**	**(11,400)**	**(2,478)**	**(3,226)**

Summary Profit and Loss Account for Mails Business Segment continued – Non USO

International (Inbound) Segment	Total Non USO		Total International (Inbound) Segment	
	2012	**2011**	**2012**	**2011**
Volume ('000s)	159	141	74,941	84,603
	€'000	**€'000**	**€'000**	**€'000**
Turnover				
Directly Attributable	1,183	1,048	5,239	5,030
Allocated using Sampling	-	-	60,433	57,377
Total Segment Revenue	**1,183**	**1,048**	**65,672**	**62,407**
Intra-segment revenue	-	-	-	-
Service Turnover	**1,183**	**1,048**	**65,672**	**62,407**
Total Direct Costs	55	71	6,238	6,139
Total Indirect Costs	479	367	49,258	37,690
Total Common Costs	298	484	21,174	33,078
Service Expenditure	**832**	**922**	**76,670**	**76,907**
Net Segment Profit/(Loss)	**351**	**126**	**(10,998)**	**(14,500)**

Summary Profit and Loss Account for Mails Business Segment continued – USO

International (Outbound) Segment	Universal Services										Former Non Reserved Area	
	Letters		Flats		Packets		Parcels		Registered			
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	26,000	24,489	2,643	3,149	3,304	3,454	116	104	988	973	33,051	32,169
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover												
Directly Attributable	1,961	2,043	2,903	2,370	11,432	10,290	5,224	3,982	7,780	7,310	29,300	25,995
Allocated using Sampling	18,035	16,357	2,440	3,847	9,549	10,126	-	-	-	-	30,024	30,330
Total Segment Revenue	**19,996**	**18,400**	**5,343**	**6,217**	**20,981**	**20,416**	**5,224**	**3,982**	**7,780**	**7,310**	**59,324**	**56,325**
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service Turnover	**19,996**	**18,400**	**5,343**	**6,217**	**20,981**	**20,416**	**5,224**	**3,982**	**7,780**	**7,310**	**59,324**	**56,325**
Total Direct Costs	16,260	15,344	2,728	2,870	8,841	7,086	1,206	921	4,903	4,195	33,938	30,416
Total Indirect Costs	5,065	4,464	1,797	1,808	8,140	7,086	2,184	1,558	1,358	1,469	18,544	16,385
Total Common Costs	6,031	7,679	1,282	1,812	4,799	5,496	1,288	1,298	1,769	2,196	15,169	18,481
Service Expenditure	**27,356**	**27,487**	**5,807**	**6,490**	**21,780**	**19,668**	**4,678**	**3,777**	**8,030**	**7,860**	**67,651**	**65,282**
Net Segment Profit/(Loss)	**(7,360)**	**(9,087)**	**(464)**	**(273)**	**(799)**	**748**	**546**	**205**	**(250)**	**(550)**	**(8,327)**	**(8,957)**

Note 1 - Free postal service for blind and partially sighted persons, Sending books abroad etc are included under the appropriate category (i.e. letter, flats, packets) above.

Summary Profit and Loss Account for Mails Business Segment continued – Non USO

International (Outbound) Segment	Total Non USO		Total International (Outbound) Segment	
	2012	**2011**	**2012**	**2011**
Volume ('000s)	3,896	3,767	36,947	35,936
	€'000	**€'000**	**€'000**	**€'000**
Turnover				
Directly Attributable	16,847	14,838	46,147	40,833
Allocated using Sampling	-	-	30,024	30,330
Total Segment Revenue	**16,847**	**14,838**	**76,171**	**71,163**
Intra-segment revenue	-	-	-	-
Service Turnover	**16,847**	**14,838**	**76,171**	**71,163**
Total Direct Costs	7,150	4,611	41,088	35,027
Total Indirect Costs	6,376	4,863	24,920	21,248
Total Common Costs	4,517	4,486	19,686	22,967
Service Expenditure	**18,043**	**13,960**	**85,694**	**79,242**
Net Segment Profit/(Loss)	**(1,196)**	**878**	**(9,523)**	**(8,079)**

Summary Profit and Loss Account for each Universal Service – USO

Domestic Letter Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Business Reply – Fully Paid		Total – Fully Paid	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Volume ('000s)	80,429	81,918	198	148	99,317	102,239	8,449	9,180	188,393	193,485
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000		
Turnover										
Directly Attributable	-	-	115	81	-	-	4,743	5,260	4,858	5,341
Allocated using Sampling	44,858	45,629	-	-	54,638	55,863	-	-	99,496	101,492
Total Segment Revenue	**44,858**	**45,629**	**115**	**81**	**54,638**	**55,863**	**4,743**	**5,260**	**104,354**	**106,833**
Intra-segment revenue	-	-	-	-	10	-	111	45	121	45
Service Turnover	**44,858**	**45,629**	**115**	**81**	**54,648**	**55,863**	**4,854**	**5,305**	**104,475**	**106,878**
Total Direct Costs	5,464	5,349	13	20	4,089	5,636	384	590	9,950	11,595
Total Indirect Costs	41,548	32,780	117	56	41,598	29,742	3,527	2,703	86,790	65,281
Total Common Costs	16,982	28,026	46	57	17,476	26,006	1,495	2,420	35,999	56,509
Service Expenditure	**63,994**	**66,155**	**176**	**133**	**63,163**	**61,384**	**5,406**	**5,713**	**132,739**	**133,385**
Net Service Profit/(Loss)	**(19,136)**	**(20,526)**	**(61)**	**(52)**	**(8,515)**	**(5,521)**	**(552)**	**(408)**	**(28,264)**	**(26,507)**

Summary Profit and Loss Account for each Universal Service continued – USO

Domestic Letter Services continued	Deferred before noon >85% auto		Pre-sort before 5.30pm		Total USO Domestic Letter Services	
	2012	2011	2012	2011	2012	2011
Volume ('000s)	181,543	178,978	441	310	370,377	372,773
	€'000	€'000	€'000	€'000	€'000	€'000
Turnover						
Directly Attributable	76,228	73,381	201	134	81,287	78,856
Allocated using Sampling	-	-	-	-	99,496	101,492
Total Segment Revenue	**76,228**	**73,381**	**201**	**134**	**180,783**	**180,348**
Intra-segment revenue	-	-	-	-	121	45
Service Turnover	**76,228**	**73,381**	**201**	**134**	**180,904**	**180,393**
Total Direct Costs	3,887	4,060	1	1	13,838	15,656
Total Indirect Costs	61,559	39,712	150	38	148,499	105,031
Total Common Costs	26,839	32,174	60	28	62,898	88,711
Service Expenditure	**92,285**	**75,946**	**211**	**67**	**225,235**	**209,398**
Net Service Profit/(Loss)	**(16,057)**	**(2,565)**	**(10)**	**67**	**(44,331)**	**(29,005)**

Summary Profit and Loss Account for each Universal Service continued – USO

Domestic Flats Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Business Reply – Fully Paid		Total Fully Paid	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	4,597	5,696	1,497	1,204	9,197	12,222	670	764	15,961	19,886
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover										
Directly Attributable	-	-	2,199	1,794	-	-	792	856	2,991	2,650
Allocated using Sampling	5,054	6,121	-	-	11,019	14,254	-	-	16,073	20,375
Total Segment Revenue	**5,054**	**6,121**	**2,199**	**1,794**	**11,019**	**14,254**	**792**	**856**	**19,064**	**23,025**
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-
Service Turnover	**5,054**	**6,121**	**2,199**	**1,794**	**11,019**	**14,254**	**792**	**856**	**19,064**	**23,025**
Total Direct Costs	317	362	100	168	518	959	40	55	975	1,544
Total Indirect Costs	4,502	4,709	1,556	1,068	7,431	7,612	512	436	14,001	13,825
Total Common Costs	1,630	3,727	556	908	2,779	6,300	195	359	5,160	11,294
Service Expenditure	**6,449**	**8,798**	**2,212**	**2,144**	**10,728**	**14,871**	**747**	**850**	**20,136**	**26,663**
Net Service Profit/(Loss)	**(1,395)**	**(2,677)**	**(13)**	**(350)**	**291**	**(617)**	**45**	**6**	**(1,072)**	**(3,638)**

Summary Profit and Loss Account for each Universal Service continued – USO

Domestic Flats Services continued	Deferred before noon >85% auto		Pre-sort before 5.30pm		Total USO Domestic Flats Services	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	921	845	31	42	16,913	20,773
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover						
Directly Attributable	880	811	39	41	3,910	3,502
Allocated using Sampling	-	-		-	16,073	20,375
Total Segment Revenue	**880**	**811**	**39**	**41**	**19,983**	**23,877**
Intra-segment revenue	-	-	-	-	-	-
Service Turnover	**880**	**811**	**39**	**41**	**19,983**	**23,877**
Total Direct Costs	61	48	-	1	1,036	1,593
Total Indirect Costs	544	349	48	22	14,593	14,196
Total Common Costs	228	292	17	17	5,405	11,603
Service Expenditure	**833**	**689**	**65**	**40**	**21,034**	**27,392**
Net Service Profit/(Loss)	**47**	**122**	**(26)**	**1**	**(1,051)**	**(3,515)**

Summary Profit and Loss Account for each Universal Service continued – USO

Domestic Packet Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Business Reply – Fully Paid		Total USO Domestic Packets Service	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	2,037	2,081	1,397	1,358	1,899	2,157	213	227	5,546	5,823
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover										
Directly Attributable	-	-	6,139	5,905	-	-	750	722	6,889	6,627
Allocated using Sampling	6,549	6,268	-	-	6,182	6,825	-	-	12,731	13,093
Total Segment Revenue	**6,549**	**6,268**	**6,139**	**5,905**	**6,182**	**6,825**	**750**	**722**	**19,620**	**19,720**
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-
Service Turnover	**6,549**	**6,268**	**6,139**	**5,905**	**6,182**	**6,825**	**750**	**722**	**19,620**	**19,720**
Total Direct Costs	74	106	49	161	40	236	6	11	169	514
Total Indirect Costs	4,913	3,946	3,603	2,808	4,142	3,480	436	328	13,094	10,562
Total Common Costs	1,680	2,980	1,218	2,182	1,435	2,731	154	249	4,487	8,142
Service Expenditure	**6,667**	**7,032**	**4,870**	**5,151**	**5,617**	**6,447**	**596**	**588**	**17,750**	**19,218**
Net Service Profit/(Loss)	**(118)**	**(764)**	**1,269**	**754**	**565**	**378**	**154**	**134**	**1,870**	**502**

Summary Profit and Loss Account for each Universal Service continued – USO

International (Outbound) Letter Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Total Fully Paid		IBMS		Total USO Letters	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Volume ('000s)	12,929	13,384	142	87	9,736	7,462	22,807	20,933	3,193	3,556	26,000	24,489
	€'000	€'000	€'000	€'000	A €'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover												
Directly Attributable	-	-	120	71	-	-	120	71	1,841	1,972	1,961	2,043
Allocated using Sampling	10,378	10,730	-	-	7,657	5,627	18,035	16,357	-	-	18,035	16,357
Total Segment Revenue	**10,378**	**10,730**	**120**	**71**	**7,657**	**5,627**	**18,155**	**16,428**	**1,841**	**1,972**	**19,996**	**18,400**
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service Turnover	**10,378**	**10,730**	**120**	**71**	**7,657**	**5,627**	**18,155**	**16,428**	**1,841**	**1,972**	**19,996**	**18,400**
Total Direct Costs	8,608	8,500	97	60	5,959	4,925	14,664	13,485	1,596	1,859	16,260	15,344
Total Indirect Costs	3,268	3,322	46	22	1,324	871	4,638	4,215	427	249	5,065	4,464
Total Common Costs	3,357	4,583	41	31	2,059	2,248	5,457	6,862	574	817	6,031	7,679
Service Expenditure	**15,233**	**16,405**	**184**	**113**	**9,342**	**8,044**	**24,759**	**24,562**	**2,597**	**2,925**	**27,356**	**27,487**
Net Service Profit/(Loss)	**(4,855)**	**(5,675)**	**(64)**	**(42)**	**(1,685)**	**(2,417)**	**(6,604)**	**(8,134)**	**(756)**	**(953)**	**(7,360)**	**(9,087)**

Summary Profit and Loss Account for each Universal Service continued – USO

Interntional (Outbound) Flats Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Total Fully Paid		IBMS		Total USO Flats	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Volume ('000s)	496	657	730	636	755	1,486	1,981	2,779	662	370	2,643	3,149
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover												
Directly Attributable	-	-	2,014	1,776	-	-	2,014	1,776	889	594	2,903	2,370
Allocated using Sampling	948	1,206	-	-	1,492	2,641	2,440	3,847	-	-	2,440	3,847
Total Segment Revenue	**948**	**1,206**	**2,014**	**1,776**	**1,492**	**2,641**	**4,454**	**5,623**	**889**	**594**	**5,343**	**6,217**
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service Turnover	**948**	**1,206**	**2,014**	**1,776**	**1,492**	**2,641**	**4,454**	**5,623**	**889**	**594**	**5,343**	**6,217**
Total Direct Costs	633	1,046	706	785	929	641	2,268	2,472	460	398	2,728	2,870
Total Indirect Costs	412	482	705	563	451	674	1,568	1,719	229	89	1,797	1,808
Total Common Costs	295	592	399	522	390	510	1,084	1,624	198	188	1,282	1,812
Service Expenditure	**1,340**	**2,120**	**1,810**	**1,870**	**1,770**	**1,825**	**4,920**	**5,815**	**887**	**675**	**5,807**	**6,490**
Net Service Profit/(Loss)	**(392)**	**(914)**	**204**	**(94)**	**(278)**	**816**	**(466)**	**(192)**	**2**	**(81)**	**(464)**	**(273)**

Summary Profit and Loss Account for each Universal Service continued – USO

Interntional (Outbound) Packets Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Total Fully Paid		IBMS		Total USO Packets	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Volume ('000s)	1,447	1,577	1,501	1,407	295	412	3,243	3,396	61	58	3,304	3,454
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Turnover												
Directly Attributable	-	-	10,967	10,043	-	-	10,967	10,043	465	247	11,432	10,290
Allocated using Sampling	7,863	7,976	-	-	1,686	2,150	9,549	10,126	-	-	9,549	10,126
Total Segment Revenue	**7,863**	**7,976**	**10,967**	**10,043**	**1,686**	**2,150**	**20,516**	**20,169**	**465**	**247**	**20,981**	**20,416**
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service Turnover	**7,863**	**7,976**	**10,967**	**10,043**	**1,686**	**2,150**	**20,516**	**20,169**	**465**	**247**	**20,981**	**20,416**
Total Direct Costs	3,752	3,200	4,155	2,830	790	902	8,697	6,932	144	154	8,841	7,086
Total Indirect Costs	3,434	3,188	4,025	3,233	598	612	8,057	7,033	83	53	8,140	7,086
Total Common Costs	2,031	2,477	2,312	2,351	392	587	4,735	5,415	64	81	4,799	5,496
Service Expenditure	**9,217**	**8,865**	**10,492**	**8,414**	**1,780**	**2,101**	**21,489**	**19,380**	**291**	**288**	**21,780**	**19,668**
Net Service Profit/(Loss)	**(1,354)**	**(889)**	**475**	**1,629**	**(94)**	**49**	**(973)**	**789**	**174**	**(41)**	**(799)**	**748**

NOTES TO THE SUMMARY REGULATORY FINANCIAL STATEMENTS

1. Reconciliation of Turnover to the Statutory Accounts

	2012 €m	2011 €m
Mails USO	365.3	364.8
Mails Non USO	150.3	179.7
Consolidation Adjustments	(16.4)	(11.3)
Regulatory Accounts Adjustments *	4.9	5.9
Postage: Letters & Parcels	504.1	539.1
Retail, Interest Income & Other Services	303.2	267.6
Turnover Per Statutory Accounts	**807.3**	**806.7**
Regulatory Accounts Adjustments *		
Stamp Retailing Commission etc	(0.5)	(1.0)
Terminal Dues – Adjustments to reflect Current Year Trading	5.4	3.2
Prior year items	-	3.7
	4.9	5.9

2. Reconciliation of Operating Costs to the Statutory Accounts

	2012 €m	2011 €m
Mails USO Per Regulatory Accounts	434.2	428.6
Mails Non USO	147.2	159.5
Regulatory Accounts Adjustments *	(5.4)	(5.0)
Retail, Corporate/Subisdiaries etc	248.7	221.4
	824.7	804.5
Regulatory Accounts Adjustments *		
College House Provision	(1.5)	(1.5)
Stamp Retailing Commission etc	(0.5)	(1.0)
Terminal Dues – Adjustments to reflect Current Year Trading	(0.1)	(2.5)
Other Retrospective Payments & Provisions	(3.3)	-
	(5.4)	(5.0)

3. Reconciliation of Profit/(Loss) to the Statutory Accounts

	2012 €m	2011 €m
Mails USO Per Regulatory Accounts	(68.8)	(63.7)
Mails Non USO	3.1	20.1
Regulatory Accounts Adjustments *	10.3	10.9
Retail, Corporate/Subisdiaries etc	37.9	34.9
Operating (Loss)/Profit - Continuing Operations	**(17.5)**	**2.2**
Regulatory Accounts Adjustments *		
Revenue	(4.9)	(5.9)
Expenditure	(5.4)	(5.0)
	(10.3)	(10.9)

4. Fixed Assets

	Land & Buildings €m	Motor Vehicles €m	Computer & Other Equipment €m	Total €m
Net Book Values as at 31/12/2011	188.4	5.3	42.4	236.1
Additions/ Disposals/ Other	5.3	(0.1)	14.5	19.7
Depreciation	(5.6)	(2.3)	(8.6)	(16.5)
Net Book Values as at 31/12/2012	**188.1**	**2.9**	**48.3**	**239.3**

5. Debtors

	2012 €m	2011 €m
Trade Debtors	20.3	25.0
Inter Group Debtors	1.4	0.3
Prepayments & Accrued Income	2.7	0.5
	24.4	**25.8**

6. Creditors (Amounts falling due within 1 year)

	2012	2011
Trade Creditors	12.6	9.6
Inter Group & OtherCreditors	10.3	12.2
Taxation and Social Welfare	9.0	10.2
Accruals	47.1	49.2
Deferred Income - Capital Grants	0.1	0.1
Deferred Postage Income	12.2	12.6
	91.3	**93.9**

7. Creditors (Amounts falling due after 1 year)

	2012	2011
Deferred Income - Capital Grants	3.4	3.5
	3.4	**3.5**

SUPPLEMENTARY INFORMATION – VOLUMES

	Total	
	2012 m	2011 m
Operational Volume		
Total	**692.5**	**728.0**
Revenue-derived volumes		
Total	**642.3**	**663.4**
Difference	**50.2**	**64.6**

Note: Excludes Parcels and Courier, Express Post, Publicity Post, & Passport Express, Registered & IBMS

Differences between Revenue Derived and Operational Volumes occur for a number of reasons:
- Sampling is undertaken to an accuracy of +/- 1%
- Estimation is required in operational volume counting, typically by the use of "Standard fill" assumptions

An Post expects the recent installation of state-of-the-art mail sorting equipment to assist in the operational volume counting process.

The Communications Regulation (Postal Services) Act 2011 ('the Act') was enacted in August 2011.

Requirements of the USO (Universal Service Obligation)
Under Section 17 of the Act, An Post is designated as the Universal Postal Service Provider for a period of 12 years.

Under Section 16 of the Act, Universal Postal Service means that on every working day, except in circumstances or geographical conditions deemed exceptional by ComReg, there is at least:

(i) one clearance, and

(ii) one delivery to the home or premises of every person in the State or, as ComReg considers appropriate, under such conditions as it may determine from time to time, to appropriate installations.

Universal service shall include the following minimum facilities:

(a) the clearance, sorting, transport and distribution of postal packets up to 2 kgs;

(b) the clearance, sorting, transport and distribution of postal parcels to a weight limit to be specified by order of ComReg (or in the absence of this 20kg);

(c) the sorting, transportation and distribution of parcels from other Member States up to 20kg in weight;

(d) services for registered items;

(e) services for insured items within the State and to and from all countries which, as signatories to the Convention of the Universal Postal Union, declare their willingness to admit such items whether reciprocally or in one direction only; and

(f) postal services, free of charge, to blind and partially sighted persons.

As required by Section 16(9) of the Act, in July 2012, ComReg made regulations specifying the services to be provided by An Post relating to the provision of the Universal Postal Service. The Communications Regulation (Universal Postal Services) Regulations, S.I. 280 of 2012, which sets out these services, is available on www.irishstatutebook.ie or www.comreg.ie

Access to Universal Services
An Post provides access to its services through its network of 57 Company post offices, 1,095 postmaster-operated post offices and 166 postal agents. In addition, some 1,188 retail premises are licensed to sell postage stamps, as active licensed agents. To facilitate physical access to the service, approximately 5,000 post boxes are distributed widely throughout the State. There are 43 designated acceptance points for bulk mail services.

Tariffs

The following is a summary of the prices for standard services weighing up to 50g, which were applicable during 2012. †

Ireland & NI	Letters (up to C5)	Large Envelopes	Packets	Parcels
Standard Post	55c 54c if Ceadúnas or meter	95c	€2.20	€6.50
Registered Post*	€5.25	€5.25	€5.25	€10.50

* The fee payable for the basic registered service covers compensation up to a maximum of €320. Further compensation up to a limit of €1,500 is available for €4 and up to a limit of €2,000 for €5 based on declared value at time of posting.

International Destinations	Letters (up to C5)	Large Envelopes	Packets	Parcels
Standard Post	82c	€1.50	€2.70	GB €18.25 ROW €22.00
Registered Post**	€5.17	€5.85	€7.05	GB €23.00 ROW €27.00

* Availability of service dependent on postal administration in destination country. Compensation up to €320 in GB; €150 in Europe; €100 for parcels and €35 for letters outside Europe

† With effect from 2 April 2013, An Post changed its tariffs for Standard Post within the Universal Service. The tariffs for items weighing up to 50g were increased and these tariffs now apply to items up to 100g resulting in a reduction in the previous tariff for items weighing between 51–100g. The new Standard Post rates for Ireland and Northern Ireland for items weighing up to 100g are 60c for letters, €1.05 for large envelopes and €2.40 for packets. Discounts apply if payment is made by meter. The tariffs for all other destinations for items weighing up to 100g are 90c for letters, €1.65 for large envelopes and €3.00 for packets. International Standard parcel prices were also increased.

With effect from 2 April 2013, An Post changed tariffs within the Universal Service weighing up to 50g.

A full list of USO tariffs is available in the Guide to Postal Rates (see www.anpost.ie)

Quality of Service

International

The quality performance standard for the delivery of intra-Community cross-border mail was laid down in the Postal Directives and is included in Schedule 3 of the Act. The quality standard for postal items of the fastest standard category is as follows:

D+3: 85% of items; D+5: 97% of items, where D refers to the day of posting.

Domestic

The Act requires ComReg to set quality-of-service standards for domestic universal mail which much be compatible with those for intra-Community cross-border services. ComReg have set a quality-of-service target for domestic single piece priority mail as follows:

D+1: 94% D+3: 99.5%, where D refers to the day of posting.

Quality monitoring

Monitoring of performance against the international targets is carried out by Research International on behalf of International Post Corporation (IPC). Monitoring of the domestic quality of service is carried out by Ipsos MRBI on behalf of ComReg.

In February 2012, ComReg served legal proceedings on An Post under the terms of the European Communities (Postal Services) Regulations 2002, seeking an order from the High Court that An Post comply with the 94% next day delivery target for single piece domestic mail and seeking to impose a financial penalty on An Post for alleged non-compliance with the quality of service standard. An Post is defending this action vigorously.

GLOSSARY AND EXPLANATION OF TERMS

2012
Year ending 31 December 2012

2011
Year ending 31 December 2011

Account Traffic
Account traffic is the volume of mail associated with customers who pay for postal services on account

Accounting Manual
The An Post Accounting Manual for the Accounting period commencing 1 January 2012

Act
Communications Regulation (Postal Services) Act, 2011 (transposing the Directive (as amended))

Activity Based Costing (ABC)
Activity based costing is a widely used and accepted method of costing products and services based upon the cost of the activities required to produce these outputs. Activity costs are assigned to outputs based upon pre defined cost drivers. These cost-drivers provide a measure of the intensity or frequency of an activity demanded by a product or service and reflect a cause and effect relationship.

Bulk Mail
Bulk mail is mail presented at mails centres meeting qualifying criteria of the service

ComReg
Commission for Communications Regulation, designated as the National Regulatory Authority under the Act

Direction
Direction on the accounting systems of An Post (issued by ComReg as document 06/63 for accounting periods commencing 1 January 2007)

Directive
EC directive 97/67/EC as amended by 2002/39/EC and 2008/6/EC

Fully Allocated Cost (FAC)
The summation of direct and indirect costs for products or services such that no costs are left unallocated

Irish GAAP
Irish Generally Accepted Accounting Practice

Mail Stream Characteristics
The payment method and format of mail items

Non Reserved Area
The Non Reserved Area referred to all services within the Universal Service but which did not fall within the Reserved Area Definition. The Reserved Area was abolished on 31 December 2010.

Pipeline
The sequence of operational processes that is followed by an item of mail. The full pipeline is: Revenue Collection, Collection, Outward Sortation, Transport, Inward Sortation and Preparation and Delivery

Postal Services
A collective term for USO and other Mails products

Products and services offered to customers
For a full list of products refer to www.anpost.ie

Regulatory Financial Statements (Regulatory Accounts)
The statements, accounts and reports which specifically refer to the year ended 31 December 2012

REIMS
A multi-lateral agreement for the remuneration of mail exchanged between signatories.

Reserved Area
Until the abolition of the Reserved Area on 31 December 2010, certain universal services were reserved for An Post as the Universal Service Provider, namely the clearance, sorting, transport and delivery of items of domestic correspondence, inbound cross border correspondence and direct mail, whether by accelerated delivery or not, within both the following weight and price limits (to 31 December 2010)
- the weight limit was 50grams
- the weight limit did not apply if the price was equal to or more than two and a half times the public tariff for an item of correspondence in the first weight step of the fastest category.

Revenue Derived Traffic
Stamped and Metered volumes derived from reported revenue the results of sampling – a survey of mail formats and profiles

Sampling Plan
The Sampling Plan designed by PricewaterhouseCoopers and audited as being in accordance with IS:EN 13850:2002 by the National Standards Authority of Ireland (NSAI)

Standard Fill
The average number of mail items by format per container type (e.g. number of letters per tray, number of packets per cage) used in operational volumes counting.

Summary Regulatory Financial Statements
Summary Regulatory Financial Statements are an extract from the Regulatory Financial statements.

UPU
Universal Postal Union

USP
Universal Service Provider

USO
Universal Service Obligation

An Post
General Post Office
O'Connell Street
Dublin 1
Ireland