



**DELIVERING PROGRESS  
IN CHALLENGING MARKETS**



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These Summary Regulatory Fincancial Statements are an extract from the 2013 Regulatory Financial Statements.

## FINANCIAL SUMMARY AND BUSINESS REVIEW

### An Post Universal Service Obligation (USO) Year ended 31 December 2013

	2013			2012		
	Former Reserved Area	Former Non Reserved Area	Total USO	Former Reserved Area	Former Non Reserved Area	Total USO
Volumes ('000s)	380,139	118,671	498,810	355,247	149,237	504,484
	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	197,253	178,731	375,984	179,132	189,533	368,665
Payroll Costs	193,160	127,185	320,345	185,327	150,103	335,430
Non Payroll Costs	50,898	60,288	111,186	44,181	56,382	100,563
Total Expenditure	244,058	187,473	431,531	229,508	206,485	435,993
<b>(Loss)</b>	<b>(46,805)</b>	<b>(8,742)</b>	<b>(55,547)</b>	<b>(50,376)</b>	<b>(16,952)</b>	<b>(67,328)</b>

The services included in the USO are set out in the Communications Regulation (Universal Postal Service) Regulations 2012, S.I. No. 280 of 2012.

2013 was marked by many positive achievements for An Post, despite the great challenges posed to the Company, and its customers as the country's economic environment began to show signs of recovery.

During the year An Post achieved much that it can be proud of:

#### Group

- We achieved an improved financial performance including a Group operating profit after exceptional items.
- We achieved ongoing cost reductions including a staffing decrease of 335 Full Time Equivalents (FTE).
- We concluded a significant agreement with staff to address the Pension Scheme's fund deficit.

#### Mails

- The first headline stamp price increase since 2007 delivered an annualised increase in revenue of circa €20m, with minimal impact on mail volumes.
- Core Mails Revenue dropped by 2% which was one of the lowest declines in Europe.
- Record contract parcels volume growth of 22%, driven by online shopping.
- The €40m Automation Investment Programme was completed on schedule benefitting both quality and cost.
- We achieved record Quality of Service levels in our Mails Operations.

#### Retail and Subsidiaries

- We bid successfully for the Department of Social Protection social welfare cash contract.
- Banking facilities for AIB customers were extended across the Retail Network with major benefits for the Bank's customers and for our post offices.
- We assembled the winning consortium to operate the new National Lottery licence.

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

## KPI

	Performance in 2013	Performance in 2012
<b>Operating result before exceptional items</b>		
Operating loss as a percentage of turnover	(1.4%)	(2.2%)
Staff costs as a percentage of total operating costs	58.2%	59.9%
Postmasters' costs as a percentage of total operating costs	9.8%	9.7%
Other operating costs as a percentage of total operating costs	32.0%	30.4%
Cash at bank and in hand	€63.9m	€112.1m
<b>Staff - Average Full Time Equivalentents (FTE)</b>		
Company	9,344	9,641
Subsidiaries	801	748
Group	10,145	10,389
Company year end FTE run rate	8,738	9,073
<b>Mail business</b>		
Letters core revenue index	(2.0%)	(5.2%)
<b>Customer Service</b>		
Written complaints	25,815	23,443
Telephone enquiries	514,698	475,414

An Post is still operating in a difficult trading environment, indeed, in many ways the next several years will be of pivotal importance to the future of this Company. In common with other national postal operators we continue to focus on operational productivity, consolidation and automation as well as on work practice flexibility and innovation. Postal administrations across the world have also been increasing their pricing to reflect cost and market realities, to ensure commercial viability.

Volume decline is certainly challenging the basis of postal economics; the Company has lost 30% of its core mails business over the last five years.

The implementation of change across the Company is ongoing and targets are being achieved. We maintain a constructive relationship with employees and their representative Unions and this has ensured clarity, cooperation and progress. To date we have achieved annualised cost savings of over €100m. Constructive dialogue continues in our efforts to reduce the Company's staff numbers by a further 1,000 over the next five years.

Throughout 2013 we continued to maintain our focus on meeting our customers' needs. This is manifest across every element of our operations, as evidenced by customer interface research carried out on our behalf. Customer satisfaction with both our Mails and Retail services is at an all-time high. Our staff continue to deliver improved service quality with pride and confidence.

Our continued investment in the An Post Brand which reinforces the positioning of the Company at the centre of Irish life and business continued.

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## FINANCIAL REVIEW

The outcome for 2013 was better than budgeted with a Group operating profit of €5.7m after exceptional items and compares well with the prior year loss of €17.5m.

	2013 €m	2012 €m
Turnover	811.7	807.3
Group Operating Profit/(Loss)	5.7	(17.5)
Profit/(Loss) for Financial year	5.9	(39.4)
Net Assets (Excluding Pension Liability)	224.3	297.3

### Mails Revenue

The single largest challenge has been the continued decline in traditional mail. The Company has experienced an unprecedented reduction of 30% in volumes since the peak of 2007. The scale of the decline is similar to that seen in other countries.

Mails revenue in 2013 was one percent higher than 2012. The Company benefited from a 22% increase in contract parcel volume and improved pricing on international mail paid through Terminal Dues. While the volume of traditional mail fell by 2% during the course of the year this rate of decline was lower than in previous years. The Company is budgeting for a further 3–5% decline during 2014, which we believe is reasonable given recent trends and the ongoing economic environment.

The first headline stamp price increase since 2007 was implemented and resulted in a yield of circa €20m, this being circa 4% of overall mails revenue. The Company experienced minimal impact on mail volumes following the price adjustments. We have plans in place to deliver a Group profit in 2014, subject to achieving a necessary further price adjustment.

We have continued our investment in encouraging mails growth across SME and marketing sectors; providing master-classes, research, workshops and many expert speakers at Company-organised events. We have also maintained our drive for growth in online and catalogue generated mail, e-fulfilment and other segments.

### Costs

The relentless implementation of change programmes continued apace over the course of the year. In the period since 1 January 2009 there has been a reduction in the FTE number in the company of 1,619 and the annualised labour cost has reduced by over €65m. In the year 2013 the average number of FTEs in the Company was 9,344; 297 lower than in 2012 which reflects the impact of ongoing change programmes on the cost base.

Company non pay costs increased mainly as a result of increased costs incurred in servicing the incremental revenue for parcels/packets where we are increasing our market share of national and international business, an increased depreciation charge from the investment program undertaken in recent years and from one off regulatory costs.

### Investment

The Company has invested in innovation and research over the last number of years in areas such as:

- The Mails Automation programme
- The use of mobile scanners by all postal delivery staff
- The employment of dedicated Innovation specialists to research and develop new products and services

The planned benefits of our investment in the Mails Automation programme bore fruit in terms of Quality and cost reduction. We have seen our domestic Quality of Service improve significantly during 2013. Quality performance of 94.7% for international inbound and 89.5% for international outbound, both exceeded their respective targets. This outcome reflects the concentrated effort which all staff, within our Mails business, have put into the improvement of our service over the last number of years.

Currently in the development pipeline are initiatives which will support our business in the delivery of parcels and packets, new investment products and the extension of our retail footprint.

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## Outlook

Given the appropriate pricing regime and the work done on improving quality and cost efficiency in the core business, combined with the successful diversification into related product areas through subsidiaries, the Group has re-positioned to a point where establishing a sustainable profit is now feasible.

We aim to continue to provide the current five-day Universal Service Obligation (USO) over the next five years. We provide this service at a significant loss, however, and in practice it is cross-subsidised by other commercial activities within the Group. The current business model does not receive, nor does it envisage, receiving, Government funding. This model may not be sustainable in the future if mail revenue continues to decline in line with volume.

Our Mails network has been built to satisfy the obligations inherent in the USO and it also allows us to offer many other income-generating products and services, for example Direct Mail. We continued to see revenue enhanced by our parcels and packets business as both these segments continued to grow.

We will continue to provide a world class service on both domestic and International Mail.

## USO PERFORMANCE

### Year ended 31 December 2013

	2013			2012		
	Former Reserved Area	Former Non Reserved Area	Total USO	Former Reserved Area	Former Non Reserved Area	Total USO
Volumes ('000s)	380,139	118,671	498,810	355,247	149,237	504,484
	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	197,253	178,731	375,984	179,132	189,533	368,665
Total Expenditure	244,058	187,473	431,531	229,508	206,485	435,993
<b>(Loss)</b>	<b>(46,805)</b>	<b>(8,742)</b>	<b>(55,547)</b>	<b>(50,376)</b>	<b>(16,952)</b>	<b>(67,328)</b>

Under Directive 2008/6/EC, as amended, 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).

### Price

In April of 2013, prices in the Universal Services area were increased for the first time in over 5 years. The increases implemented were modest with the first price point on the domestic letter service moving from 55c to 60c, still well below the European average. While this price increase yielded circa €20m in extra revenue on an annual basis to the mails business, the pricing of Universal Services is still set at a level that does not allow An Post to recover the costs it incurs in the provision of these services. The volume of traditional mail reduced by 2% in the course of the year, with the rate of decline slowing significantly from just over 5% in 2012 as the economic climate in the country began to improve. The overall increase in revenue in this segment was achieved as the decline in traditional mail volume was partly compensated for by continued growth in parcels and packet volumes, as more customers move to on-line retailing, and the first price increase in over 5 years in the Universal Services area.

### Costs

USO payroll costs have decreased by €11.5m (3.5%) in the year as a result of the cost reduction programmes already explained. Non Payroll costs increased as a result of costs incurred in servicing incremental revenue for packets and parcels.

### Profit/(loss)

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

Profit/(Loss) (€'000)	2013			2012		
	Former Reserved Area	Former Non Reserved Area	Total USO	Former Reserved Area	Former Non Reserved Area	Total USO
Domestic	(35,672)	(2,825)	(38,497)	(41,505)	(6,147)	(47,652)
Inbound International	(11,133)	(2,289)	(13,422)	(8,871)	(2,478)	(11,349)
Outbound International		(3,628)	(3,628)		(8,327)	(8,327)
<b>(Loss)</b>	<b>(46,805)</b>	<b>(8,742)</b>	<b>(55,547)</b>	<b>(50,376)</b>	<b>(16,952)</b>	<b>(67,328)</b>

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## 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 9 to 11.

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 2013 (the 'Accounting Manual') and the Regulatory Accounting Principles and Basis of Preparation set out on pages 9 to 11, 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

**Christoph Mueller**, Chairman

**Donal Connell**, Director



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# 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 2013, which comprise the regulatory profit and loss accounts, the regulatory balance sheet and selected notes are derived from the audited regulatory financial statements of An Post for the year ended 31 December 2013. We expressed an unmodified audit opinion on those financial statements in our report dated 29 May 2014.

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 regulatory financial statements on the basis described on page 9.

### 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, Engagements to Report on Summary Financial Statements.

Our opinion on the Summary Regulatory Financial Statements is separate from our opinion on the statutory accounts of the Company on which we expressed an unqualified audit opinion on 20 March 2014, 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 2013 are consistent, in all material respects, with those regulatory financial statements, on the basis described on page 9.

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



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

29 May 2014

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## 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 50 to 52 of the An Post Statutory Accounts 2013 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 2013 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
- Balance Sheet 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.

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## REGULATORY ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION (CONT.)

### 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: Some ancillary services which include Private Boxes, Mailminder and Re-directions have been reclassified as USO services following ComReg's decision in relation to the Postal Regulatory Framework (ComReg Document 12/81).

### 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.

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## 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 2013, Ancillary Services which include Private Boxes, Mailminder and Re-directions are now classified within the definition of the Universal Service. The 2012 accounts have therefore been re-categorised accordingly.

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 2013				Year Ended 31 December 2012 (Note 1)					
	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) (Note 2)	380,139	118,671	498,810	133,985	632,795	355,247	149,237	504,484	148,844	653,328
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	197,253	178,731	375,984	148,632	524,616	179,132	189,533	368,665	146,930	515,595
Payroll Costs	193,160	127,185	320,345	94,461	414,806	185,327	150,103	335,430	100,274	435,704
Non Payroll Costs	50,898	60,288	111,186	47,213	158,399	44,181	56,382	100,563	45,051	145,614
Total Expenditure	244,058	187,473	431,531	141,674	573,205	229,508	206,485	435,993	145,325	581,318
Total Operating Profit/(Loss)	(46,805)	(8,742)	(55,547)	6,958	(48,589)	(50,376)	(16,952)	(67,328)	1,605	(65,723)

Note 1–2012 restated to reflect recategorisation of some services in line with SI 280.

Note 2–Volumes stated refer to addressed volumes, 2012 volumes have been restated to reflect this.

### Profit and Loss Account for each Business Segment

Notes	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)	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>										
External Revenue	508,357	499,117	300,736	303,263	—	—	2,600	4,915	811,693	807,295
Inter-segment revenue	16,259	16,478	130,366	133,352	(146,625)	(149,830)	—	—	—	—
<b>Segment Turnover</b>	<b>524,616</b>	<b>515,595</b>	<b>431,102</b>	<b>436,615</b>	—	—	—	—	—	—
<b>Expenditure</b>										
<b>Operating Costs:</b>										
External costs	475,456	479,066	349,578	351,133	—	—	(1,878)	(5,420)	823,156	824,779
Inter-segment costs	91,000	94,892	46,705	45,341	(137,705)	(140,233)	—	—	—	—
Corporate Overheads	6,749	7,360	2,171	2,237	(8,920)	(9,597)	—	—	—	—
<b>Total Expenditure</b>	<b>573,205</b>	<b>581,318</b>	<b>398,454</b>	<b>398,711</b>	—	—	—	—	—	—
<b>Net Segment Operating Profit/(Loss)</b>	<b>(48,589)</b>	<b>(65,723)</b>	<b>32,648</b>	<b>37,904</b>	—	—	<b>4,478</b>	<b>10,335</b>	<b>(11,463)</b>	<b>(17,484)</b>

## Balance Sheet for each Business Segment

	Notes	Mails		Other and Excluded Items		Consolidation Adjustments		Group Balance Sheet (as per An Post's Statutory Financial Accounts)	
		2013 €'000	2012 €'000	2013 €'000	2012 €'000	2013 €'000	2012 €'000	2013 €'000	2012 €'000
<b>Statement of Net Assets</b>									
Fixed Assets	4	240,651	239,296	39,718	55,489	–	–	280,369	294,785
Debtors	5	20,871	24,403	163,843	163,957	(83,157)	(85,205)	101,557	103,155
Cash		–	–	63,913	112,105	–	–	63,913	112,105
Creditor (<1 year)	6	(86,325)	(91,273)	(164,508)	(179,939)	83,157	85,205	(167,676)	(186,007)
<b>Net Current (Liabilities)/Assets</b>		<b>(65,454)</b>	<b>(66,870)</b>	<b>63,248</b>	<b>96,123</b>	–	–	<b>(2,206)</b>	<b>29,253</b>
Creditors (>1 year)	7	(3,258)	(3,360)	(3,003)	(1,000)	–	–	(6,261)	(4,360)
Provisions for Charges		–	–	(47,650)	(22,352)	–	–	(47,650)	(22,352)
Pension Liability		–	–	(229,206)	(284,620)	–	–	(229,206)	(284,620)
<b>Net Assets</b>		<b>171,939</b>	<b>169,066</b>	<b>(176,893)</b>	<b>(156,360)</b>	–	–	<b>(4,954)</b>	<b>12,706</b>
Reconciliation 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		–	–	(74,070)	(56,410)	–	–	(74,070)	(56,410)
<b>Shareholders Deficit</b>		<b>–</b>	<b>–</b>	<b>(4,954)</b>	<b>12,706</b>	–	–	<b>(4,954)</b>	<b>12,706</b>

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

All Geographical Segments	Universal Services						Regulatory Analysis									
	Letters		Flats		Parcels		Registered		Note 1–Other USO Services		Former Reserved Area		Former Non Reserved Area			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
<b>Volume ('000s)</b>	438,685	446,348	33,633	32,701	19,019	17,976	1,204	1,220	6,269	6,239	–	–	380,139	355,247	118,671	149,237
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>																
Directly Attributable	90,992	83,248	6,860	6,813	19,358	18,321	13,648	12,923	22,111	23,713	3,513	3,406	74,403	51,180	82,079	97,244
Allocated using Sampling	134,665	139,135	35,129	31,510	42,579	43,060	–	–	5,368	5,052	–	–	122,667	127,831	95,074	90,926
<b>Total Segment Revenue</b>	<b>225,657</b>	<b>222,383</b>	<b>41,989</b>	<b>38,323</b>	<b>61,937</b>	<b>61,381</b>	<b>13,648</b>	<b>12,923</b>	<b>27,479</b>	<b>28,765</b>	<b>3,513</b>	<b>3,406</b>	<b>197,070</b>	<b>179,011</b>	<b>177,153</b>	<b>188,170</b>
Intra-segment revenue	183	121	–	–	–	–	–	–	1,574	1,363	4	–	183	121	1,578	1,363
<b>Service Turnover</b>	<b>225,840</b>	<b>222,504</b>	<b>41,989</b>	<b>38,323</b>	<b>61,937</b>	<b>61,381</b>	<b>13,648</b>	<b>12,923</b>	<b>29,053</b>	<b>30,128</b>	<b>3,517</b>	<b>3,406</b>	<b>197,253</b>	<b>179,132</b>	<b>178,731</b>	<b>189,533</b>
Total Direct Costs	29,114	32,678	4,055	4,458	8,948	9,031	1,808	1,750	18,282	17,864	1,490	1,451	15,654	15,092	48,043	52,140
Total Indirect Costs	173,424	173,383	24,613	24,659	36,841	36,281	6,776	6,178	12,078	12,122	39	40	161,358	151,027	92,413	101,636
Total Common Costs	75,680	77,552	9,682	9,967	14,847	14,751	3,552	3,573	9,875	9,870	427	385	67,046	63,389	47,017	52,709
<b>Service Expenditure</b>	<b>278,218</b>	<b>283,613</b>	<b>38,350</b>	<b>39,084</b>	<b>60,636</b>	<b>60,063</b>	<b>12,136</b>	<b>11,501</b>	<b>40,235</b>	<b>39,856</b>	<b>1,956</b>	<b>1,876</b>	<b>244,058</b>	<b>229,508</b>	<b>187,473</b>	<b>206,485</b>
<b>Net Segment Profit/(Loss)</b>	<b>(52,378)</b>	<b>(61,109)</b>	<b>3,639</b>	<b>(761)</b>	<b>1,301</b>	<b>1,318</b>	<b>1,512</b>	<b>1,422</b>	<b>(11,182)</b>	<b>(9,728)</b>	<b>1,561</b>	<b>1,530</b>	<b>(46,805)</b>	<b>(50,376)</b>	<b>(8,742)</b>	<b>(16,952)</b>

Note 1–Other Services Include Re-Directions, Mail Minder & PO Boxes

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

All Geographical Segments	Total Non USO		Mails Results	
	2013	2012	2013	2012
<b>Volume ('000s)</b>	133,985	148,844	632,795	653,328
	€'000	€'000	€'000	€'000
<b>Turnover</b>				
Directly Attributable	134,134	131,936	290,616	280,360
Allocated using Sampling	–	–	217,741	218,757
<b>Total Segment Revenue</b>	<b>134,134</b>	<b>131,936</b>	<b>508,357</b>	<b>499,117</b>
Intra-segment revenue	14,498	14,994	16,259	16,478
<b>Service Turnover</b>	<b>148,632</b>	<b>146,930</b>	<b>524,616</b>	<b>515,595</b>
Total Direct Costs	26,032	27,752	89,729	94,984
Total Indirect Costs	72,012	73,844	325,783	326,507
Total Common Costs	43,630	43,729	157,693	159,827
<b>Service Expenditure</b>	<b>141,674</b>	<b>145,325</b>	<b>573,205</b>	<b>581,318</b>
<b>Net Segment Profit/(Loss)</b>	<b>6,958</b>	<b>1,605</b>	<b>(48,589)</b>	<b>(65,723)</b>



### Summary Profit and Loss Account for Mails Business Segment continued—USO

All Geographical Segments	Domestic				International Inbound				International Outbound				Total			
	Former Reserved Area		Former Non-Reserved Area		Former Reserved Area		Former Non-Reserved Area		Former Reserved Area		Former Non-Reserved Area		Former Reserved Area		Former Non-Reserved Area	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Volume ('000s)</b>	333,114	301,239	64,121	95,412	47,025	54,008	22,146	20,774	32,404	33,051	380,139	355,247	118,671	149,237	€'000	€'000
<b>Turnover</b>	74,403	51,180	48,541	63,888	—	—	3,392	4,056	30,146	29,300	74,403	51,180	82,079	97,244	€'000	€'000
Directly Attributable	100,841	99,592	28,364	28,708	21,826	28,239	36,030	32,194	30,680	30,024	122,667	127,831	95,074	90,926	€'000	€'000
Allocated using Sampling	175,244	150,772	76,905	92,596	21,826	28,239	39,422	36,250	60,826	59,324	197,070	179,011	177,153	188,170	€'000	€'000
Intra-segment revenue	183	121	1,578	1,363	—	—	—	—	—	—	183	121	1,578	1,363	€'000	€'000
<b>Service Turnover</b>	175,427	150,893	78,483	93,959	21,826	28,239	39,422	36,250	60,826	59,324	197,253	179,132	178,731	189,533	€'000	€'000
Total Direct Costs	13,151	12,329	13,484	14,782	2,503	2,763	3,808	3,420	30,751	33,938	15,654	15,092	48,043	52,140	€'000	€'000
Total Indirect Costs	139,810	126,832	46,541	58,508	21,548	24,195	26,548	24,584	19,324	18,544	161,358	151,027	92,413	101,636	€'000	€'000
Total Common Costs	58,138	53,237	21,283	26,816	8,908	10,152	11,355	10,724	14,379	15,169	67,046	63,389	47,017	52,709	€'000	€'000
<b>Service Expenditure</b>	211,099	192,398	81,308	100,106	32,959	37,110	41,711	38,728	64,454	67,651	244,058	229,508	187,473	206,485	€'000	€'000
<b>Net Segment Profit/(Loss)</b>	(35,672)	(41,505)	(2,825)	(6,147)	(11,133)	(8,871)	(2,289)	(2,478)	(3,628)	(8,327)	(46,805)	(50,376)	(8,742)	(16,952)	€'000	€'000

## Summary Profit and Loss Account for Mails Business Segment continued—USO

Domestic segment	Universal Services										Regulatory Analysis					
	Letters		Flats		Packets		Parcels		Registered		Other USO Services (Note 2)		Former Reserved Area		Former Non Reserved Area	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Volume ('000s)	370,735	370,377	17,274	16,913	5,615	5,546	503	471	3,108	3,344	—	—	333,114	301,239	64,121	95,412
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>																
Directly Attributable	89,869	81,287	3,707	3,910	7,279	6,889	4,013	3,643	14,563	15,933	3,513	3,406	74,403	51,180	48,541	63,888
Allocated using Sampling	99,444	99,496	17,989	16,073	11,772	12,731	—	—	—	—	—	—	100,841	99,592	28,364	28,708
<b>Total Segment Revenue</b>	<b>189,313</b>	<b>180,783</b>	<b>21,696</b>	<b>19,983</b>	<b>19,051</b>	<b>19,620</b>	<b>4,013</b>	<b>3,643</b>	<b>14,563</b>	<b>15,933</b>	<b>3,513</b>	<b>3,406</b>	<b>175,244</b>	<b>150,772</b>	<b>76,905</b>	<b>92,596</b>
Intra-segment revenue	183	121	—	—	—	—	—	—	1,574	1,363	4	—	183	121	1,578	1,363
<b>Service Turnover</b>	<b>189,496</b>	<b>180,904</b>	<b>21,696</b>	<b>19,983</b>	<b>19,051</b>	<b>19,620</b>	<b>4,013</b>	<b>3,643</b>	<b>16,137</b>	<b>17,296</b>	<b>3,517</b>	<b>3,406</b>	<b>175,427</b>	<b>150,893</b>	<b>78,483</b>	<b>93,959</b>
Total Direct Costs	13,951	13,838	981	1,036	198	169	205	451	9,810	10,166	1,490	1,451	13,151	12,329	13,484	14,782
Total Indirect Costs	150,288	148,499	14,636	14,593	12,799	13,094	1,847	1,884	6,742	7,230	39	40	139,810	126,832	46,541	58,508
Total Common Costs	62,909	62,898	5,359	5,405	4,379	4,487	923	1,088	5,424	5,790	427	385	58,138	53,237	21,283	26,816
<b>Service Expenditure</b>	<b>227,148</b>	<b>225,235</b>	<b>20,976</b>	<b>21,034</b>	<b>17,376</b>	<b>17,750</b>	<b>2,975</b>	<b>3,423</b>	<b>21,976</b>	<b>23,186</b>	<b>1,956</b>	<b>1,876</b>	<b>211,099</b>	<b>192,398</b>	<b>81,308</b>	<b>100,106</b>
<b>Net Segment Profit/(Loss)</b>	<b>(37,652)</b>	<b>(44,331)</b>	<b>720</b>	<b>(1,051)</b>	<b>1,675</b>	<b>1,870</b>	<b>1,038</b>	<b>220</b>	<b>(5,839)</b>	<b>(5,890)</b>	<b>1,561</b>	<b>1,530</b>	<b>(35,672)</b>	<b>(41,505)</b>	<b>(2,825)</b>	<b>(6,147)</b>

Note 1—Free postal service for blind and partially sighted persons, Sending books a broad etc are included under the appropriate category (i.e. letter, flats, packets) above.  
 Note 2—Other Services Include Re-Directions, Mail Minder & PO Boxes

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

Domestic segment	Total Non USO		Total Domestic Segment	
	2013	2012	2013	2012
Volume ('000s)	128,599	144,789	525,834	541,440
	€'000	€'000	€'000	€'000
<b>Turnover</b>				
Directly Attributable	112,189	113,906	235,133	228,974
Allocated using Sampling	—	—	129,205	128,300
<b>Total Segment Revenue</b>	<b>112,189</b>	<b>113,906</b>	<b>364,338</b>	<b>357,274</b>
Intra-segment revenue	14,498	14,994	16,259	16,478
<b>Service Turnover</b>	<b>126,687</b>	<b>128,900</b>	<b>380,597</b>	<b>373,752</b>
Total Direct Costs	17,608	20,546	44,243	47,657
Total Indirect Costs	63,145	66,990	249,496	252,330
Total Common Costs	37,827	38,914	117,248	118,967
<b>Service Expenditure</b>	<b>118,580</b>	<b>126,450</b>	<b>410,987</b>	<b>418,954</b>
<b>Net Segment Profit/(Loss)</b>	<b>8,107</b>	<b>2,450</b>	<b>(30,390)</b>	<b>(45,202)</b>

\* 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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Volume ('000s)	44,825 €'000	49,971 €'000	11,835 €'000	13,145 €'000	9,770 €'000	9,126 €'000	586 €'000	633 €'000	2,155 €'000	1,907 €'000	47,025 €'000	54,008 €'000	22,146 €'000	20,774 €'000
Turnover														
Directly Attributable							3,392	4,056					3,392	4,056
Allocated using Sampling	17,760	21,604	12,245	12,997	22,483	20,780			5,368	5,052	21,826	28,239	36,030	32,194
<b>Total Segment Revenue</b>	<b>17,760</b>	<b>21,604</b>	<b>12,245</b>	<b>12,997</b>	<b>22,483</b>	<b>20,780</b>	<b>3,392</b>	<b>4,056</b>	<b>5,368</b>	<b>5,052</b>	<b>21,826</b>	<b>28,239</b>	<b>39,422</b>	<b>36,250</b>
Intra-segment revenue														
<b>Service Turnover</b>	<b>17,760</b>	<b>21,604</b>	<b>12,245</b>	<b>12,997</b>	<b>22,483</b>	<b>20,780</b>	<b>3,392</b>	<b>4,056</b>	<b>5,368</b>	<b>5,052</b>	<b>21,826</b>	<b>28,239</b>	<b>39,422</b>	<b>36,250</b>
Total Direct Costs	2,456	2,580	545	694	33	21	35	93	3,242	2,795	2,503	2,763	3,808	3,420
Total Indirect Costs	18,381	19,819	7,706	8,269	16,213	15,047	1,762	2,110	4,034	3,534	21,548	24,195	26,548	24,584
Total Common Costs	7,887	8,623	2,981	3,279	5,838	5,465	934	1,197	2,623	2,312	8,908	10,152	11,355	10,724
<b>Service Expenditure</b>	<b>28,724</b>	<b>31,022</b>	<b>11,232</b>	<b>12,242</b>	<b>22,084</b>	<b>20,533</b>	<b>2,731</b>	<b>3,400</b>	<b>9,899</b>	<b>8,641</b>	<b>32,959</b>	<b>37,110</b>	<b>41,711</b>	<b>38,728</b>
<b>Net Segment Profit/(Loss)</b>	<b>(10,964)</b>	<b>(9,418)</b>	<b>1,013</b>	<b>755</b>	<b>399</b>	<b>247</b>	<b>661</b>	<b>656</b>	<b>(4,531)</b>	<b>(3,589)</b>	<b>(11,133)</b>	<b>(8,871)</b>	<b>(2,289)</b>	<b>(2,478)</b>

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

International (inbound) segment	Total Non USO		Total International (Inbound) Segment	
	2013	2012	2013	2012
Volume ('000s)	93 €'000	159 €'000	69,264 €'000	74,941 €'000
Turnover				
Directly Attributable	841	1,183	4,233	5,239
Allocated using Sampling			57,856	60,433
<b>Total Segment Revenue</b>	<b>841</b>	<b>1,183</b>	<b>62,089</b>	<b>65,672</b>
Intra-segment revenue				
<b>Service Turnover</b>	<b>841</b>	<b>1,183</b>	<b>62,089</b>	<b>65,672</b>
Total Direct Costs	24	55	6,335	6,238
Total Indirect Costs	268	479	48,364	49,258
Total Common Costs	154	298	20,417	21,174
<b>Service Expenditure</b>	<b>446</b>	<b>832</b>	<b>75,116</b>	<b>76,670</b>
<b>Net Segment Profit/(Loss)</b>	<b>395</b>	<b>351</b>	<b>(13,027)</b>	<b>(10,998)</b>

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

International (Outbound) segment	Universal Services											
	Letters		Flats		Packets		Parcels		Registered		Former Non Reserved Area	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Volume ('000s)	23,125 €'000	26,000 €'000	4,524 €'000	2,643 €'000	3,634 €'000	3,304 €'000	115 €'000	116 €'000	1,006 €'000	988 €'000	32,404 €'000	33,051 €'000
Turnover	1,123	1,961	3,153	2,903	12,079	11,432	6,243	5,224	7,548	7,780	30,146	29,300
Directly Attributable	17,461	18,035	4,895	2,440	8,324	9,549	–	–	–	–	30,680	30,024
Allocated using Sampling	18,584	19,996	8,048	5,343	20,403	20,981	6,243	5,224	7,548	7,780	60,826	59,324
Intra-segment revenue	–	–	–	–	–	–	–	–	–	–	–	–
Service Turnover	18,584	19,996	8,048	5,343	20,403	20,981	6,243	5,224	7,548	7,780	60,826	59,324
Total Direct Costs	12,707	16,260	2,529	2,728	8,717	8,841	1,568	1,206	5,230	4,903	30,751	33,938
Total Indirect Costs	4,755	5,065	2,271	1,797	7,829	8,140	3,167	2,184	1,302	1,358	19,324	18,544
Total Common Costs	4,884	6,031	1,342	1,282	4,630	4,799	1,695	1,288	1,828	1,769	14,379	15,169
Service Expenditure	22,346	27,356	6,142	5,807	21,176	21,780	6,430	4,678	8,360	8,030	64,454	67,651
Net Segment Profit/(Loss)	(3,762)	(7,360)	1,906	(464)	(773)	(799)	(187)	546	(812)	(250)	(3,628)	(8,327)

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	
	2013	2012	2013	2012
Volume ('000s)	5,293 €'000	3,896 €'000	37,697 €'000	36,947 €'000
Turnover	21,104	16,847	51,250	46,147
Directly Attributable	–	–	30,680	30,024
Allocated using Sampling	21,104	16,847	81,930	76,171
Intra-segment revenue	–	–	–	–
Service Turnover	21,104	16,847	81,930	76,171
Total Direct Costs	8,400	7,150	39,151	41,088
Total Indirect Costs	8,599	6,376	27,923	24,920
Total Common Costs	5,649	4,517	20,028	19,686
Service Expenditure	22,648	18,043	87,102	85,694
Net Segment Profit/(Loss)	(1,544)	(1,196)	(5,172)	(9,523)

Note 1–Bulk Mail Including IBMS Extra and IBMS DSA

### Summary Profit and Loss Account for each Universal Service—USO

Domestic Letter Services	Fully Paid—Stamped		Fully Paid—Labels		Fully Paid—Metered		Freepost./Business Reply Mail		Total—Fully Paid	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Volume ('000s)</b>	80,185	80,429	173	198	88,463	99,317	9,324	8,449	178,145	188,393
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>										
Directly Attributable	—	—	103	115	—	—	5,561	4,743	5,664	4,858
Allocated using Sampling	47,855	44,858	—	—	51,589	54,638	—	—	99,444	99,496
Total Segment Revenue	47,855	44,858	103	115	51,589	54,638	5,561	4,743	105,108	104,354
Intra-segment revenue	—	—	—	—	40	10	143	111	183	121
<b>Service Turnover</b>	<b>47,855</b>	<b>44,858</b>	<b>103</b>	<b>115</b>	<b>51,629</b>	<b>54,648</b>	<b>5,704</b>	<b>4,854</b>	<b>105,291</b>	<b>104,475</b>
Total Direct Costs	5,572	5,464	11	13	3,803	4,089	525	384	9,911	9,950
Total Indirect Costs	42,236	41,548	96	117	38,092	41,598	3,968	3,527	84,392	86,790
Total Common Costs	17,047	16,982	38	46	15,771	17,476	1,685	1,495	34,541	35,999
<b>Service Expenditure</b>	<b>64,855</b>	<b>63,994</b>	<b>145</b>	<b>176</b>	<b>57,666</b>	<b>63,163</b>	<b>6,178</b>	<b>5,406</b>	<b>128,844</b>	<b>132,739</b>
<b>Net Service Profit/(Loss)</b>	<b>(17,000)</b>	<b>(19,136)</b>	<b>(42)</b>	<b>(61)</b>	<b>(6,037)</b>	<b>(8,515)</b>	<b>(474)</b>	<b>(552)</b>	<b>(23,553)</b>	<b>(28,264)</b>

### 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	
	2013	2012	2013	2012	2013	2012
<b>Volume ('000s)</b>	191,860	181,543	730	441	370,735	370,377
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>						
<b>Directly Attributable</b>	<b>83,864</b>	<b>76,228</b>	<b>341</b>	<b>201</b>	<b>89,869</b>	<b>81,287</b>
Allocated using Sampling	—	—	—	—	99,444	99,496
Total Segment Revenue	83,864	76,228	341	201	189,313	180,783
Intra-segment revenue	—	—	—	—	183	121
<b>Service Turnover</b>	<b>83,864</b>	<b>76,228</b>	<b>341</b>	<b>201</b>	<b>189,496</b>	<b>180,904</b>
Total Direct Costs	4,039	3,887	1	1	13,951	13,838
Total Indirect Costs	65,775	61,559	121	150	150,288	148,499
Total Common Costs	28,323	26,839	45	60	62,909	62,898
<b>Service Expenditure</b>	<b>98,137</b>	<b>92,285</b>	<b>167</b>	<b>211</b>	<b>227,148</b>	<b>225,235</b>
<b>Net Service Profit/(Loss)</b>	<b>(14,273)</b>	<b>(16,057)</b>	<b>174</b>	<b>(10)</b>	<b>(37,652)</b>	<b>(44,331)</b>

### Summary Profit and Loss Account for each Universal Service continued -USO

Domestic Flats Services	Fully Paid-Stamped		Fully Paid-Labels		Fully Paid-Metered		Freepost/Business Reply Mail		Total-Fully Paid	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Volume ('000s)</b>	4,529	4,597	1,441	1,497	9,829	9,197	585	670	16,384	15,961
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>										
Directly Attributable	–	–	2,071	2,199	–	–	711	792	2,782	2,991
Allocated using Sampling	5,483	5,054	–	–	12,506	11,019	–	–	17,989	16,073
Total Segment Revenue	5,483	5,054	2,071	2,199	12,506	11,019	711	792	20,771	19,064
Intra-segment revenue	–	–	–	–	–	–	–	–	–	–
<b>Service Turnover</b>	<b>5,483</b>	<b>5,054</b>	<b>2,071</b>	<b>2,199</b>	<b>12,506</b>	<b>11,019</b>	<b>711</b>	<b>792</b>	<b>20,771</b>	<b>19,064</b>
Total Direct Cost	306	317	88	100	499	518	38	40	931	975
Total Indirect Cost	4,393	4,502	1,449	1,556	7,889	7,431	412	512	14,143	14,001
Total Common Costs	1,573	1,630	513	556	2,907	2,779	161	195	5,154	5,160
<b>Service Expenditure</b>	<b>6,272</b>	<b>6,449</b>	<b>2,050</b>	<b>2,212</b>	<b>11,295</b>	<b>10,728</b>	<b>611</b>	<b>747</b>	<b>20,228</b>	<b>20,136</b>
<b>Net Service Profit/(Loss)</b>	<b>(789)</b>	<b>(1,395)</b>	<b>21</b>	<b>(13)</b>	<b>1,211</b>	<b>291</b>	<b>100</b>	<b>45</b>	<b>543</b>	<b>(1,072)</b>

### 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	
	2013	2012	2013	2012	2013	2012
<b>Volume ('000s)</b>	866	921	24	31	17,274	16,913
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>						
Directly Attributable	891	880	34	39	3,707	3,910
Allocated using Sampling	–	–	–	–	17,989	16,073
<b>Total Segment Revenue</b>	<b>891</b>	<b>880</b>	<b>34</b>	<b>39</b>	<b>21,696</b>	<b>19,983</b>
Intra-segment revenue	–	–	–	–	–	–
<b>Service Turnover</b>	<b>891</b>	<b>880</b>	<b>34</b>	<b>39</b>	<b>21,696</b>	<b>19,983</b>
Total Direct Costs	50	61	–	–	981	1,036
Total Indirect Costs	469	544	24	48	14,636	14,593
Total Common Costs	196	228	9	17	5,359	5,405
<b>Service Expenditure</b>	<b>715</b>	<b>833</b>	<b>33</b>	<b>65</b>	<b>20,976</b>	<b>21,034</b>
<b>Net Service Profit/(Loss)</b>	<b>176</b>	<b>47</b>	<b>1</b>	<b>(26)</b>	<b>720</b>	<b>(1,051)</b>

### Summary Profit and Loss Account for each Universal Service continued—USO

Domestic Packet Services	Fully Paid—Stamped		Fully Paid—Labels		Fully Paid—Metered		Freepost/Business Reply Mail		Total—Fully Paid	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Volume ('000s)</b>	2,208	2,037	1,457	1,397	1,700	1,899	250	213	5,615	5,546
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>										
Directly Attributable	—	—	6,388	6,139	—	—	891	750	7,279	6,889
Allocated using Sampling	5,955	6,549	—	—	5,817	6,182	—	—	11,772	12,731
<b>Total Segment Revenue</b>	<b>5,955</b>	<b>6,549</b>	<b>6,388</b>	<b>6,139</b>	<b>5,817</b>	<b>6,182</b>	<b>891</b>	<b>750</b>	<b>19,051</b>	<b>19,620</b>
Intra-segment revenue	—	—	—	—	—	—	—	—	—	—
<b>Service Turnover</b>	<b>5,955</b>	<b>6,549</b>	<b>6,388</b>	<b>6,139</b>	<b>5,817</b>	<b>6,182</b>	<b>891</b>	<b>750</b>	<b>19,051</b>	<b>19,620</b>
Total Direct Costs	97	74	51	49	41	40	9	6	198	169
Total Indirect Costs	5,035	4,913	3,626	3,603	3,646	4,142	492	436	12,799	13,094
Total Common Costs	1,727	1,680	1,222	1,218	1,257	1,435	173	154	4,379	4,487
<b>Service Expenditure</b>	<b>6,859</b>	<b>6,667</b>	<b>4,899</b>	<b>4,870</b>	<b>4,944</b>	<b>5,617</b>	<b>674</b>	<b>596</b>	<b>17,376</b>	<b>17,750</b>
<b>Net Service Profit/(Loss)</b>	<b>(904)</b>	<b>(118)</b>	<b>1,489</b>	<b>1,269</b>	<b>873</b>	<b>565</b>	<b>217</b>	<b>154</b>	<b>1,675</b>	<b>1,870</b>

### 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 Standard		Total Letters	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Volume ('000s)	13,550 €'000	12,929 €'000	107 €'000	142 €'000	6,819 €'000	9,736 €'000	20,476 €'000	22,807 €'000	2,649 €'000	3,193 €'000	23,125 €'000	26,000 €'000
<b>Turnover</b>												
Directly Attributable	—	—	88	120	—	—	88	120	1,035	1,841	1,123	1,961
Allocated using Sampling	11,684	10,378	—	—	5,777	7,657	17,461	18,035	—	—	17,461	18,035
<b>Total Segment Revenue</b>	<b>11,684</b>	<b>10,378</b>	<b>88</b>	<b>120</b>	<b>5,777</b>	<b>7,657</b>	<b>17,549</b>	<b>18,155</b>	<b>1,035</b>	<b>1,841</b>	<b>18,584</b>	<b>19,996</b>
Intra-segment revenue	—	—	—	—	—	—	—	—	—	—	—	—
<b>Service Turnover</b>	<b>11,684</b>	<b>10,378</b>	<b>88</b>	<b>120</b>	<b>5,777</b>	<b>7,657</b>	<b>17,549</b>	<b>18,155</b>	<b>1,035</b>	<b>1,841</b>	<b>18,584</b>	<b>19,996</b>
Total Direct Cost	7,850	8,608	53	97	3,976	5,959	11,879	14,664	828	1,596	12,707	16,260
Total Indirect Cost	3,561	3,268	35	46	1,038	1,324	4,634	4,638	121	427	4,755	5,065
Total Common Costs	3,193	3,357	24	41	1,403	2,059	4,620	5,457	264	574	4,884	6,031
<b>Service Expenditure</b>	<b>14,604</b>	<b>15,233</b>	<b>112</b>	<b>184</b>	<b>6,417</b>	<b>9,342</b>	<b>21,133</b>	<b>24,759</b>	<b>1,213</b>	<b>2,597</b>	<b>22,346</b>	<b>27,356</b>
<b>Net Service Profit/(Loss)</b>	<b>(2,920)</b>	<b>(4,855)</b>	<b>(24)</b>	<b>(64)</b>	<b>(640)</b>	<b>(1,685)</b>	<b>(3,584)</b>	<b>(6,604)</b>	<b>(178)</b>	<b>(756)</b>	<b>(3,762)</b>	<b>(7,360)</b>

### Summary Profit and Loss Account for each Universal Service continued—USO

International (Outbound) Flats Services	Fully Paid—Stamped		Fully Paid—Labels		Fully Paid—Metered		Total Fully Paid		IBMS Standard		TOTAL USO Flats	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Volume ('000s)	466 €'000	496 €'000	767 €'000	730 €'000	2,306 €'000	755 €'000	3,539 €'000	1,981 €'000	985 €'000	662 €'000	4,524 €'000	2,643 €'000
<b>Turnover</b>												
Directly Attributable	—	—	2,078	2,014	—	—	2,078	2,014	1,075	889	3,153	2,903
Allocated using Sampling	981	948	—	—	3,914	1,492	4,895	2,440	—	—	4,895	2,440
<b>Total Segment Revenue</b>	<b>981</b>	<b>948</b>	<b>2,078</b>	<b>2,014</b>	<b>3,914</b>	<b>1,492</b>	<b>6,973</b>	<b>4,454</b>	<b>1,075</b>	<b>889</b>	<b>8,048</b>	<b>5,343</b>
Intra-segment revenue	—	—	—	—	—	—	—	—	—	—	—	—
<b>Service Turnover</b>	<b>981</b>	<b>948</b>	<b>2,078</b>	<b>2,014</b>	<b>3,914</b>	<b>1,492</b>	<b>6,973</b>	<b>4,454</b>	<b>1,075</b>	<b>889</b>	<b>8,048</b>	<b>5,343</b>
Total Direct Costs	321	633	445	706	1,415	929	2,181	2,268	348	460	2,529	2,728
Total Indirect Costs	374	412	688	705	1,003	451	2,065	1,568	206	229	2,271	1,797
Total Common Costs	194	295	316	399	677	390	1,187	1,084	155	198	1,342	1,282
<b>Service Expenditure</b>	<b>889</b>	<b>1,340</b>	<b>1,449</b>	<b>1,810</b>	<b>3,095</b>	<b>1,770</b>	<b>5,433</b>	<b>4,920</b>	<b>709</b>	<b>887</b>	<b>6,142</b>	<b>5,807</b>
<b>Net Service Profit/(Loss)</b>	<b>92</b>	<b>(392)</b>	<b>629</b>	<b>204</b>	<b>819</b>	<b>(278)</b>	<b>1,540</b>	<b>(466)</b>	<b>366</b>	<b>2</b>	<b>1,906</b>	<b>(464)</b>



### Summary Profit and Loss Account for each Universal Service continued—USO

International (Outbound) Packets Services	Fully Paid—Stamped		Fully Paid—Labels		Fully Paid—Metered		Total Fully Paid		IBMS Standard		Total USO Packets	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Volume ('000s)	1,394	1,447	1,449	1,501	368	295	3,211	3,243	423	61	3,634	3,304
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Turnover</b>												
Directly Attributable	—	—	10,773	10,967	—	—	10,773	10,967	1,306	465	12,079	11,432
Allocated using Sampling	6,650	7,863	—	—	1,674	1,686	8,324	9,549	—	—	8,324	9,549
<b>Total Segment Revenue</b>	<b>6,650</b>	<b>7,863</b>	<b>10,773</b>	<b>10,967</b>	<b>1,674</b>	<b>1,686</b>	<b>19,097</b>	<b>20,516</b>	<b>1,306</b>	<b>465</b>	<b>20,403</b>	<b>20,981</b>
Intra-segment revenue	—	—	—	—	—	—	—	—	—	—	—	—
<b>Service Turnover</b>	<b>6,650</b>	<b>7,863</b>	<b>10,773</b>	<b>10,967</b>	<b>1,674</b>	<b>1,686</b>	<b>19,097</b>	<b>20,516</b>	<b>1,306</b>	<b>465</b>	<b>20,403</b>	<b>20,981</b>
Total Direct Costs	3,303	3,752	3,573	4,155	817	790	7,693	8,697	1,024	144	8,717	8,841
Total Indirect Costs	3,032	3,434	3,681	4,025	660	598	7,373	8,057	456	83	7,829	8,140
Total Common Costs	1,773	2,031	2,030	2,312	413	392	4,216	4,735	414	64	4,630	4,799
<b>Service Expenditure</b>	<b>8,108</b>	<b>9,217</b>	<b>9,284</b>	<b>10,492</b>	<b>1,890</b>	<b>1,780</b>	<b>19,282</b>	<b>21,489</b>	<b>1,894</b>	<b>291</b>	<b>21,176</b>	<b>21,780</b>
<b>Net Service Profit/(Loss)</b>	<b>(1,458)</b>	<b>(1,354)</b>	<b>1,489</b>	<b>475</b>	<b>(216)</b>	<b>(94)</b>	<b>(185)</b>	<b>(973)</b>	<b>(588)</b>	<b>174</b>	<b>(773)</b>	<b>(799)</b>

## NOTES TO THE SUMMARY REGULATORY FINANCIAL STATEMENTS

### 1. Reconciliation of Turnover to the Statutory Accounts

	2013 €m	2012 €m
Mails USO	376.0	368.7
Mails Non USO	148.6	146.9
Consolidation Adjustments	(16.2)	(16.4)
Regulatory Accounts Adjustments*	2.6	4.9
<b>Postage: Letters &amp; Parcels</b>	<b>511.0</b>	<b>504.1</b>
Retail Interest Income & Other Services	300.7	303.2
<b>Turnover Per Statutory Accounts</b>	<b>811.7</b>	<b>807.3</b>
*Regulatory Accounts Adjustments		
Stamp Retailing Commission etc	(0.8)	(0.5)
Terminal Dues	3.4	5.4
	2.6	4.9

### 2. Reconciliation of Operating Costs to the Statutory Accounts

	2013 €m	2012 €m
Mails USO Per Regulatory Accounts	431.5	436.0
Mails Non USO	141.7	145.4
Regulatory Accounts Adjustments*	(1.8)	(5.4)
Retail Corporate/Subsidiaries etc	251.7	248.7
<b>Operating Costs Per Statutory Accounts</b>	<b>823.1</b>	<b>824.7</b>
*Regulatory Accounts Adjustments		
College House Provision	(1.0)	(1.5)
Stamp Retailing Commission etc	(0.8)	(0.5)
Terminal Dues	(0.1)	(0.1)
Other Retrospective Payments & Provisions	0.1	(3.3)
	(1.8)	(5.4)

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

	2013 €m	2012 €m
Mails USO Per Regulatory Accounts	(55.5)	(67.3)
Mails Non USO	6.9	1.6
Regulatory Accounts Adjustments*	4.4	10.3
Retail Corporate/Subsidiaries etc	32.7	37.9
<b>Operating (Loss)/Profit - Continuing Operations</b>	<b>(11.5)</b>	<b>(17.5)</b>
*Regulatory Accounts Adjustments		
Revenue	(2.6)	(4.9)
Expenditure	(1.8)	(5.4)
	(4.4)	(10.3)

#### 4. Fixed Assets – Mails

	Land & Buildings €m	Motor Vehicles €m	Computer & Other Equipment €m	Total €m
Net Book Values as at 31/12/2012	188.1	2.9	48.3	239.3
Additions/Disposals/Other	10.5	(0.1)	9.1	19.5
Depreciation	(5.6)	(1.9)	(10.6)	(18.1)
<b>Net Book Values as at 31/12/2013</b>	<b>193.0</b>	<b>0.9</b>	<b>46.8</b>	<b>240.7</b>

#### 5. Debtors – Mails

	2013 €m	2012 €m
Trade Debtors	18.1	20.3
Inter Group Debtors	0.3	1.4
Prepayments & Accrued Income	2.5	2.7
	<b>20.9</b>	<b>24.4</b>

#### 6. Creditors (Amounts falling due within 1 year) – Mails

	2013	2012
Trade Creditors	9.0	12.6
Inter Group & Other Creditors	11.9	10.3
Taxation and Social Welfare	9.5	9.0
Accruals	43.9	47.1
Deferred Income - Capital Grants	0.1	0.1
Deferred Postage Income	11.9	12.2
	<b>86.3</b>	<b>91.3</b>

#### 7. Creditors (Amounts falling due after 1 year) – Mails

	2013	2012
Deferred Income - Capital Grants	3.3	3.4
	<b>3.3</b>	<b>3.4</b>

## SUPPLEMENTARY INFORMATION–VOLUMES (UNAUDITED)

	Total	
	2013 m	2012 m
<b>Operational Volume</b>		
<b>Total</b>	<b>659.6</b>	<b>701.6</b>
<b>Revenue-derived volumes</b>		
<b>Total</b>	<b>621.0</b>	<b>642.3</b>
<b>Difference</b>	<b>38.6</b>	<b>59.3</b>

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.

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## UNIVERSAL SERVICE

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

### Requirements of the Universal Service Obligation ('USO')

Under Section 17 of the Act, An Post is designated as the Universal Postal Service Provider for a period of 12 years until August 2023.

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

1. one clearance, and
2. 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.

And that the following services are provided:

- (a) the clearance, sorting, transport and distribution of postal packets up to 2kgs in weight;
- (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). ComReg has decided not to use its power to change the maximum weight limit of 20kg but will keep this under review;
- (c) the sorting, transportation and distribution of parcels from other Member States up to 20kg in weight;
- (d) a registered items service;
- (e) an insured items service within the State and to and from all countries which, as signatories to the Universal Postal 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 Communication Regulation (Universal Postal Services) Regulations, S.I. 280 of 2012 which sets out these services is available on [www.irishstatutebook.ie](http://www.irishstatutebook.ie) or [www.comreg.ie](http://www.comreg.ie).

The terms and conditions of Universal Services are available on [www.anpost.ie](http://www.anpost.ie).

### Access to Universal Services

An Post provides access to its services through its network of 57 Company post offices and 1,090 Contract post offices. In addition, some 1,070 retail premises are licensed to sell postage stamps, as active licensed agents. To facilitate physical access to the service, approximately 5,800 post boxes are distributed widely throughout the State. There are 43 designated acceptance points for bulk mail services.

## UNIVERSAL SERVICE (CONT.)

### Tariffs

The following is a summary of the prices for standard services weighing up to 50g which were applicable since 2 April 2013.

Ireland & NI	Letters (up to C5)	Large Envelopes	Packets	Parcels
Standard Post	60c 59c if item bears a franking impression	€1.05 €1.03 if item bears a franking impression	€2.40 €2.35 if item bears a franking impression	€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	90c	€1.65	€3.00	GB €20.00 ROW €25.00
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

A full list of current USO tariffs is available in the Guide to Postal Rates (see [www.anpost.ie](http://www.anpost.ie))

Under Section 30 of the Act, where ComReg is of the opinion that there is no effective competition in the market for the supply of certain services, it shall make a decision specifying a price cap in respect of these services. ComReg has issued a consultation on the introduction of a price cap mechanism and a decision is due in the coming weeks

### Quality of Service

#### International

The quality performance standard for the delivery of intra-Community cross-border mail was laid down in the Postal Directives (97/67/EC as amended) 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 service mail which must be compatible with those for intra-Community cross-border services. ComReg has 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.

## Customer Complaints

An Post is required to maintain records of customer complaints taking into account the relevant European standard IS: EN 14012:2003. The table provides, in relation to mail, a breakdown of written complaints received from customers during 2013. The total continues to represent a minute fraction of the entire mail traffic handled during the year.

<b>Written complaints received from customers:</b>	
Items lost or substantially delayed	20,630
Items damaged	1,062
Items arriving late	346
Mail collection or delivery:	
<i>Time of delivery</i>	-
<i>Failure to make daily delivery to home or premises</i>	115
<i>Collection times/Collection failures</i>	2
Misdelivery	454
Access to customer service information	-
Underpaid mail	160
Tariffs for single piece mail/discount schemes and conditions	-
Change of address (Redirections)	590
Behaviour and competence of postal personnel	16
How complaints are treated	-
Other (not included in above)	2,440
Total	25,815

Included in the total figure are complaints about registered items, which number 7,216.

In 2013, there were 514,698 telephone calls made to An Post Customer Services. Most of these were routine or general enquiries rather than complaints.

An Post Complaint and Dispute Resolution Procedures are set out in 'Getting it Sorted', which is available on our website, in retail outlets, and from our Customer Services Centre.

ComReg has recently issued Guidelines for Postal Service Providers on Complaints and Redress Procedures (see ComReg document 14/06 on [www.comreg.ie](http://www.comreg.ie)). An Post is currently updating 'Getting It Sorted' to comply with these Guidelines. We also have a Customer Charter, containing specific pledges to customers regarding our services, which is also available on our website.

## Further Information

Additional information in relation to services provided by An Post is available by phoning An Post Customer Services on CallSave 1850 57 58 59, by email at [customer.services@anpost.ie](mailto:customer.services@anpost.ie), by visiting [www.anpost.ie](http://www.anpost.ie), or by calling into any post office.

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## GLOSSARY AND EXPLANATION OF TERMS

### 2013

Year ending 31 December 2013

### 2012

Year ending 31 December 2012

### 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 2013

### 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 Regulations

### 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

### 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

### Price Cap Mechanism

Price cap mechanism as set out in Section 30 of the Act.

### Products and services offered to customers

For a full list of products refer to [www.anpost.ie](http://www.anpost.ie)

### Regulatory Financial Statements (Regulatory Accounts)

The statements, accounts and reports which specifically refer to the year ended 31 December 2013

### REIMS

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

### 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

These statements are an extract from the Regulatory Financial Statements.

### UPU

Universal Postal Union.

### USP

Universal Service Provider.

### USO

Universal Service Obligation.

### Volumes

Volumes refer to addressed mail.



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## NOTES

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