



AN POST 2015

**SUMMARY REGULATORY FINANCIAL
STATEMENTS 2015**

 **POST**

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These Summary Regulatory Financial Statements are an extract from the 2015 Regulatory Financial Statements.

FINANCIAL SUMMARY AND BUSINESS REVIEW

Income Statement for Universal Service and Mails Business Segment Year ended 31 December 2015

	USO		Non USO		Total Mails	
	2015	2014	2015	2014	2015	2014
Volumes ('000s)	349,492	435,815	230,763	185,464	580,255	621,279
	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	336,821	364,682	203,218	173,609	540,039	538,291
Total Expenditure	369,112	402,910	196,188	162,342	565,300	565,252
Profit/(Loss)	(32,291)	(38,228)	7,030	11,267	(25,261)	(26,961)

Note: There was some movement of volumes between USO and Non USO services. The services included in the USO are set out in the Communications Regulation (Universal Postal Service) Regulations 2012, S.I. No. 280 of 2012.

2015 was a year of significant progress as the Company continued to focus on the changing needs of its customers and markets, including:

Group

- In 2015 Group operating profit of €5.2m compared to €2.4m in 2014 is significant in that we maintained our profitability in the face of a mail decline of 3% and increased employment affecting our Retail business.
- Revenue held up well and was ahead of budget. 2014 data benefited from exceptional volume in election mailings, the decline in traditional mail volumes was 3%.

Mails

- Quality of Service in our Mails operations exceeded our targets in both Domestic and International delivery. We consistently exceeded our Quality of Service target of 94% for domestic next-day delivery.
- We achieved further cost reductions.
- We implemented a necessary Mails Price increase in July with consequent benefits to the bottom line.

Retail and Subsidiaries

- The State Savings fund is now worth €19.5 billion with inflows of €400m in 2015.
- We continue to be the primary payment channel to the Department of Social Protection and we were awarded a contract extension for cash payments.
- New revenue streams continue to grow with the addition of banking facilities for Ulster Bank in the first half of the year.
- Our subsidiary companies have continued to perform strongly in line with our business plan.

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

KPI	Performance in 2015	Performance in 2014
Operating result		
Operating profit as a percentage of revenue	0.62%	0.30%
Staff costs as a percentage of total operating costs	58.3%	58.8%
Postmasters' costs as a percentage of total operating costs	9.1%	9.2%
Other operating costs as a percentage of total operating costs	32.6%	32.0%
Cash at bank and in hand	€363.6m	€404.2m
Staff – Average Full Time Equivalents (FTE)		
Company	9,109	9,237
Subsidiaries	753	787
Group	9,862	10,024
Company year end FTE run rate	8,479	8,521
Mails business		
Core mail volumes	(2.92%)	(3.3%)
Customer Service		
Written enquiries	23,169	22,290
Telephone enquiries	524,154	534,354

The positive trends in real GDP, employment and consumption within the Irish economy continued in 2015. There is greater confidence that Irish markets will continue to grow, with a consequent inward flow of investment and this should have a positive impact on our revenue performance.

Volume decline is certainly challenging the basis of the current postal business model, since 2008 we have lost over one third of our mails volumes due to economic and technological factors. There is a need to examine the future of the USO and the postal service in general. The overall aim must be that the country has a sustainable service which meets the needs of both senders and receivers into the future. It is crucial that there is stakeholder alignment around a future vision of the service. We continue to focus on operational productivity, consolidation and automation as well as embedding innovation and targeting specific growth sectors in the Mails business.

FINANCIAL REVIEW

The financial year 2015 saw improvements in the key financial metrics of revenue, Group profit before pension interest and taxation, and net assets. The results have been prepared under the IFRS accounting principles and the prior year restated in line with the reporting requirements.

	2015 €m	2014 €m
Revenue	826.1	815.4
Group Operating Profit	5.2	2.4
Profit before pension interest and taxation	8.6	3.3
Net Assets (Excluding Pension Liability)	204.3	195.7

Revenue

Group revenue increased to €826.1m during the course of the year. Mails revenue, excluding election/referenda revenue, in 2015 was €523.7m, being €13.7m (2.7%) higher than 2014. The mix in the revenue continues to change with traditional mail volume declining, offset by modest price increases and the addition of increased added value mail services.

Traditional mail volume reduced by 3% in the course of the year. This is along expected lines (the budget had been for a 3.5% decline) and represents a structural change in the postal industry with e-substitution being the main driver. The trends in Ireland reflect the trends experienced elsewhere in the postal sector.

The impact of increased pricing added €21.0m (4.1%), in revenue in 2015 versus 2014 and this policy of modest price increases is in line with that being followed by most national postal operators.

Revenue in the Retail division, €164.3m, was broadly in line with the previous year. Increased revenue from areas such as foreign currency transactions at €7.7m (up 4.1% on 2014) and banking transactions at €6.6m (up 3% on 2014) is very welcome and demonstrates the potential that there is in the network to offer relevant financial service offerings. The Post Office continued the management of the State Savings products, now with a combined value of €19.5 billion, the cash payments business for the Department of Social Protection and is further developing successful relationships with companies across the banking and insurance sectors.

Costs

Change programme implementation continued over the course of the year, with plans for further cost efficiencies. The reduction in labour hours over the course of the year was 1.2%. This follows on from a number of years of efficiency improvements implemented whilst the Quality of Service figures and the number of delivery points increased.

In the period since 2008 there has been a reduction in the FTE number in the Company of 1,879 and the annualised labour cost has reduced by over €75m.

Further savings in non-labour cost headings were achieved in 2015. In some cost headings such as fuel and electricity there are initiatives in usage and efficiency that yielded increased savings. At the same time further cost savings in professional services and computer services were also achieved.

Outlook

The financial result in 2015 in bringing the profit before pension interest and taxation to €8.6m from €3.3m in 2014 is welcome. The trading performance achieved and the cash resources available to the Group provide a solid starting position for the next five year business plan.

Implementing appropriate pricing, maintaining the high quality of service performance and cost efficiency in the core business, combined with the successful addition of new revenue generating products and services are vital for the business in the medium term.

Establishing a funding structure for the USO needs to be addressed with stakeholders.

USO PERFORMANCE

Year ended 31 December 2015

	2015 Total USO	2014 Total USO
Volumes ('000s)	349,492	435,815
	€'000	€'000
Revenue	336,821	364,682
Total Expenditure	369,112	402,910
(Loss) for the year	(32,291)	(38,228)

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 Performance

An Post is designated in the 2011 Act as the national postal Universal Service provider. This involves the fulfilment of an everyday mail service to every household in the country.

There are significant costs associated with the provision of the USO, many of which are fixed in nature. In 2015 the USO loss recorded is €32.3m. This is funded by revenue from other income streams. Arising from structural changes in the postal industry, led mainly by reduced volume and e-substitution, there is a decline in mail volume and the financial consequence is a loss arising from the provision of the Universal Service.

National Governments have a variety of funding structures to adapt to this reality. An Post is working with stakeholders to address the medium term funding requirements for the Company arising from its obligations as the national Universal Service postal provider.

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 in accordance with the relevant standard (IS:EN 13850:2012).

Mails revenues remain in line with the 2014 revenue. Volumes of mail delivered in Ireland have continued to decline in 2015. The decline experienced by An Post in 2015 is further evidence of the continuing global decline in traditional mail volume.

Price

In July 2015, prices in the Universal Services area were increased in line with the Price Cap Mechanism as detailed at Section 30 of the Communications Regulation (Postal Services) Act 2011 and ComReg Document 14/59. The increases implemented moved the first price point on the domestic letter service from 68c to 70c, still well below the European average. Prices in the Mails Non USO area were also increased in July 2015.

Profit/(Loss)

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

	2015 Total USO	2014 Total USO
Domestic	(13,124)	(21,063)
Inbound International	(13,203)	(14,799)
Outbound International	(5,964)	(2,366)
(Loss)	(32,291)	(38,228)

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 Regulatory Financial Statements have been prepared in accordance with the Regulatory Accounting Principles and Basis of Preparation set out on pages 8 to 9.

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 2015 (the 'Accounting Manual') and the Regulatory Accounting Principles and Basis of Preparation set out on pages 8 to 9, 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

James Wrynn, Director
Donal Connell, Director

24 March 2016

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 2015, which comprise the regulatory income statements, 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 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 24 March 2016.

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 6. The Directors are responsible for the preparation of a summary of the audited financial statements on the basis described on page 8.

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 Regulatory Financial Statements is separate from our opinion on the statutory accounts of the Company on which we expressed an unqualified audit opinion on 24 March 2016, 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 391 of the Companies Act 2014. 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 2015 are consistent, in all material respects, with those Regulatory Financial Statements, on the basis described on page 8.

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

24 March 2016

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 52 to 57 of the An Post Statutory Accounts 2015 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 Income statements are consistent with EU IFRS 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 2015 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:

- Income Statement for Universal Service and Mails Business Segment
- Income Statement for each Business Segment
- Summary Income Statement for Mails Business Segment
- Summary Income Statement 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

Income 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.

Income Statements

Revenue is made up of external income 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 restated.

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 material error or a material change in accounting policy, as is the case with the Statutory Financial Statements.

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 material error.

Income, Costs and Profit/(Loss) has been restated at Company level for the 2014 transition to IFRS, see Note 8 for details.

Reconciliation to Statutory Accounts

As certain items are excluded from the Regulatory Financial Statements, a reconciliation of both Revenue 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 (IAS 19) 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.

INCOME STATEMENT FOR UNIVERSAL SERVICE AND MAILS BUSINESS SEGMENT

	Year Ended 31 December 2015			Year Ended 31 December 2014		
	USO	Non USO	Total Mails	USO	Non USO	Total Mails
Volumes ('000s)	349,492	230,763	580,255	435,815	185,464	621,279
Revenue	€'000	€'000	€'000	€'000	€'000	€'000
Payroll Costs	336,821	203,218	540,039	364,682	173,609	538,291
Non Payroll Costs	266,039	141,164	407,203	293,808	113,348	407,156
Total Expenditure	103,073	55,024	158,097	109,102	48,994	158,096
Total Operating Profit/(Loss)	369,112	196,188	565,300	402,910	162,342	565,252
	(32,291)	7,030	(25,261)	(38,228)	11,267	(26,961)

Note – Volumes stated refer to addressed volumes.

INCOME STATEMENT FOR EACH BUSINESS SEGMENT

	Notes	Mails		Retail		Subsidiaries & Other Activities		Inter-Segment Transactions		Adjustments between Regulatory & Statutory Financial Accounts		Group Operating Results – continuing operations (as per An Post's Statutory Financial Accounts)	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue													
External Revenue	1	523,291	522,700	164,131	166,797	135,047	131,861	–	–	–	–	–	–
Inter-segment revenue		16,748	15,591	33,576	34,020	96,869	95,918	(147,193)	(145,529)	–	–	–	–
Segment Revenue		540,039	538,291	197,707	200,817	231,916	227,779	–	–	–	–	–	–
Expenditure													
Operating Costs:													
External costs	2	468,241	468,668	145,248	145,673	208,518	201,530	–	–	–	–	–	–
Inter-segment costs		89,387	89,601	35,917	35,593	11,824	11,114	(137,128)	(136,308)	–	–	–	–
Corporate Overheads		7,672	6,983	2,393	2,238	–	–	(10,065)	(9,221)	–	–	–	–
Total Expenditure		565,300	565,252	183,558	183,504	220,342	212,644	–	–	–	–	–	–
Net Segment Operating Profit/(Loss)	3	(25,261)	(26,961)	14,149	17,313	11,574	15,135	–	–	4,700	400	5,162	5,887

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)	
		2015	2014	2015	2014	2015	2014	2015	2014
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Statement of Net Assets									
Non-current assets	4	213,565	229,675	80,768	42,232	–	–	294,333	271,907
Trade and other receivables	5	31,799	11,729	155,558	147,486	(74,757)	(50,095)	112,600	109,120
Cash		–	–	481,424	55,571	–	–	481,424	55,571
Creditors (<1 year)	6	(85,973)	(80,536)	(615,882)	(125,974)	74,757	50,095	(627,098)	(156,415)
Net Current (Liabilities)/Assets		(54,174)	(68,807)	21,100	77,083	–	–	(33,074)	8,276
Creditors (>1 year)	7	(16,216)	(17,698)	(7,185)	(6,600)	–	–	(23,401)	(24,298)
Provisions		–	–	(33,524)	(38,511)	–	–	(33,524)	(38,511)
Pension Liability		–	–	(169,203)	(440,461)	–	–	(169,203)	(440,461)
Net Assets		143,175	143,170	(108,044)	(366,257)	–	–	35,131	(223,087)
Reconciliation to Equity and Reserves									
Called-up share capital		–	–	68,239	68,239	–	–	68,239	68,239
Other capital reserves		–	–	2,031	877	–	–	2,031	877
Retained earnings & Non-controlling interests		–	–	(35,139)	(292,203)	–	–	(35,139)	(292,203)
Total Equity		–	–	35,131	(223,087)	–	–	35,131	(223,087)

SUMMARY INCOME STATEMENT FOR MAILS BUSINESS SEGMENT – USO

All Geographical Segments	Universal Services										Note 1 – Other USO Services		Total USO	
	Letters		Flats		Packets		Parcels		Registered		2015	2014	2015	2014
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	€'000	€'000	€'000	€'000
Volume ('000s)	293,903	376,477	30,953	33,277	16,242	18,026	1,397	1,225	6,997	6,810	–	–	349,492	435,815
Revenue	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	45,513	75,282	8,389	7,414	19,306	19,732	15,548	15,441	24,668	25,047	3,933	3,706	117,357	146,622
Allocated using Sampling	135,614	134,262	33,570	35,412	40,463	41,077	–	–	8,086	5,633	–	–	217,733	216,384
Total Segment Revenue	181,127	209,544	41,959	42,826	59,769	60,809	15,548	15,441	32,754	30,680	3,933	3,706	335,090	363,006
Intra-segment revenue	229	192	–	–	–	–	–	–	1,498	1,481	4	3	1,731	1,676
Service Revenue	181,356	209,736	41,959	42,826	59,769	60,809	15,548	15,441	34,252	32,161	3,937	3,709	336,821	364,682
Total Direct Costs	22,830	23,927	4,889	5,354	9,032	9,503	3,771	3,410	19,133	18,489	1,312	1,466	60,967	62,149
Total Indirect Costs	127,521	152,732	23,641	23,711	32,867	33,875	8,153	6,930	14,734	13,701	29	28	206,945	230,977
Total Common Costs	59,474	69,413	10,468	10,384	14,786	14,929	4,038	3,541	12,130	11,179	304	338	101,200	109,784
Service Expenditure	209,825	246,072	38,998	39,449	56,685	58,307	15,962	13,881	45,997	43,369	1,645	1,832	369,112	402,910
Net Segment Profit/(Loss)	(28,469)	(36,336)	2,961	3,377	3,084	2,502	(414)	1,560	(11,745)	(11,208)	2,292	1,877	(32,291)	(38,228)

Note 1 – Other Services include Redirections, MailMinder & PO Boxes.

SUMMARY INCOME STATEMENT FOR MAILS BUSINESS SEGMENT CONTINUED – NON USO

All Geographical Segments	Total Non USO		Mails Results	
	2015	2014	2015	2014
Volume ('000s)	230,763	185,464	580,255	621,279
Revenue	€'000	€'000	€'000	€'000
Directly Attributable	188,201	159,694	305,558	306,316
Allocated using Sampling	–	–	217,733	216,384
Total Segment Revenue	188,201	159,694	523,291	522,700
Intra-segment revenue	15,017	13,915	16,748	15,591
Service Revenue	203,218	173,609	540,039	538,291
Total Direct Costs	24,977	29,825	85,944	91,974
Total Indirect Costs	111,490	83,450	318,435	314,427
Total Common Costs	59,721	49,067	160,921	158,851
Service Expenditure	196,188	162,342	565,300	565,252
Net Segment Profit/(Loss)	7,030	11,267	(25,261)	(26,961)

SUMMARY INCOME STATEMENT FOR MAILS BUSINESS SEGMENT CONTINUED – USO

All Geographical Segments	Domestic		International Inbound		International Outbound		Total
	2015	2014	2015	2014	2015	2014	
Volume ('000s)	255,561	338,356	66,304	69,632	27,627	27,827	435,815
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	78,893	107,788	3,690	3,356	34,774	35,478	146,622
Directly Attributable	132,627	132,372	59,046	57,157	26,060	26,855	217,733
Allocated using Sampling	211,520	240,160	62,736	60,513	60,834	62,333	335,090
Total Segment Revenue	1,731	1,676	—	—	—	—	363,006
Intra-segment revenue	213,251	241,836	62,736	60,513	60,834	62,333	336,821
Service Revenue	21,763	24,116	6,170	6,245	33,034	31,788	60,967
Total Direct Costs	140,821	165,141	48,001	47,845	18,123	17,991	206,945
Total Indirect Costs	63,791	73,642	21,768	21,222	15,641	14,920	101,200
Total Common Costs	226,375	262,899	75,939	75,312	66,798	64,699	369,112
Service Expenditure	(13,124)	(21,063)	(13,203)	(14,799)	(5,964)	(2,366)	(32,291)
Net Segment Profit/(Loss)							(38,228)

SUMMARY INCOME STATEMENT FOR MAILS BUSINESS SEGMENT CONTINUED – USO

Domestic segment	Universal Services				Other USO Services (Note 2)		Total USO	
	Letters	Flats	Packets	Parcels	Registered	Registered		
2015	2014	2015	2014	2015	2014	2015	2014	
Volume ('000s)	229,333	311,413	5,124	5,137	508	507	3,141	338,356
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	42,778	73,199	6,989	7,068	4,335	4,178	16,254	78,893
Directly Attributable	100,533	101,078	11,619	11,185	—	—	—	132,627
Allocated using Sampling	143,311	174,277	18,608	18,253	4,335	4,178	16,254	211,520
Intra-segment revenue	229	192	—	—	—	—	1,498	1,731
Service Revenue	143,540	174,469	18,608	18,253	4,335	4,178	17,752	213,251
Total Direct Costs	9,113	10,764	138	263	145	288	9,452	21,763
Total Indirect Costs	104,349	129,865	12,024	11,549	2,049	1,811	7,349	140,821
Total Common Costs	45,965	56,460	4,475	4,226	852	808	6,019	63,791
Service Expenditure	159,427	197,089	16,637	16,038	3,046	2,907	22,820	226,375
Net Segment Profit/(Loss)	(15,887)	(22,620)	1,971	2,215	1,289	1,271	(5,068)	(13,124)
								(38,228)

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.

Note 2 – Other Services include Redirections, MailMinder & PO Boxes.

SUMMARY INCOME STATEMENT FOR MAILS BUSINESS SEGMENT CONTINUED – NON USO

	Total Non USO		Total Domestic Segment	
	2015	2014	2015	2014
Domestic segment				
Volume ('000s)	226,487	181,145	482,048	519,501
	€'000	€'000	€'000	€'000
Revenue	169,704	140,424	248,597	248,212
Directly Attributable	–	–	132,627	132,372
Allocated using Sampling	169,704	140,424	381,224	380,584
Total Segment Revenue	15,017	13,915	16,748	15,591
Intra-segment revenue	184,721	154,339	397,972	396,175
Service Revenue	18,533	22,719	40,296	46,835
Total Direct Costs	104,131	75,938	244,952	241,079
Total Indirect Costs	55,587	44,609	119,378	118,251
Total Common Costs	178,251	143,266	404,626	406,165
Service Expenditure	6,470	11,073	(6,654)	(9,990)
Net Segment Profit/(Loss)				

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

SUMMARY INCOME STATEMENT FOR MAILS BUSINESS SEGMENT CONTINUED – USO

	Universal Services												Total USO	
	Letters		Flats		Packets		Parcels		Registered		Total USO		Total USO	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
International (Inbound) segment														
Volume ('000s)	44,218	46,199	10,392	10,964	8,047	9,285	702	555	2,945	2,629	66,304	69,632	€'000	€'000
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	–	–	–	–	–	–	3,690	3,356	–	–	3,690	3,356	–	–
Directly Attributable	19,395	18,946	10,301	11,057	21,264	21,521	–	–	8,086	5,633	59,046	57,157	–	–
Allocated using Sampling	19,395	18,946	10,301	11,057	21,264	21,521	3,690	3,356	8,086	5,633	62,736	60,513	–	–
Total Segment Revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intra-segment revenue	19,395	18,946	10,301	11,057	21,264	21,521	3,690	3,356	8,086	5,633	62,736	60,513	–	–
Service Revenue	1,166	1,362	804	965	(95)	160	49	39	4,246	3,719	6,170	6,245	–	–
Total Direct Costs	18,665	18,781	7,014	7,016	14,022	15,339	2,343	1,579	5,957	5,130	48,001	47,845	–	–
Total Indirect Costs	8,241	8,194	3,031	3,022	5,429	5,890	1,075	741	3,992	3,375	21,768	21,222	–	–
Total Common Costs	28,072	28,337	10,849	11,003	19,356	21,389	3,467	2,359	14,195	12,224	75,939	75,312	–	–
Service Expenditure	(8,677)	(9,391)	(548)	54	1,908	132	223	997	(6,109)	(6,591)	(13,203)	(14,799)	–	–
Net Segment Profit/(Loss)														

SUMMARY INCOME STATEMENT FOR MAI LS BUSINESS SEGMENT CONTINUED – NON USO

International (Inbound) segment	Total Non USO		Total International (Inbound) Segment	
	2015	2014	2015	2014
Volume ('000s)	105	101	66,409	69,733
	€'000	€'000	€'000	€'000
Revenue	1,169	1,064	4,859	4,420
Directly Attributable	–	–	59,046	57,157
Allocated using Sampling	1,169	1,064	63,905	61,577
Total Segment Revenue	–	–	–	–
Inter-segment revenue	1,169	1,064	63,905	61,577
Service Revenue	222	167	6,392	6,412
Total Direct Costs	340	274	48,341	48,119
Total Indirect Costs	222	186	21,990	21,408
Total Common Costs	784	627	76,723	75,939
Service Expenditure	385	437	(12,818)	(14,362)
Net Segment Profit/(Loss)				

SUMMARY INCOME STATEMENT FOR MAI LS BUSINESS SEGMENT CONTINUED – USO

International (Outbound) segment	Universal Services						Total USO	
	Letters		Flats		Packets		Registered	
	2015	2014	2015	2014	2015	2014	2015	2014
Volume ('000s)	20,352	18,865	3,082	4,155	3,071	3,604	187	163
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	2,735	2,083	3,785	3,610	12,317	12,664	7,523	7,907
Directly Attributable	15,686	14,238	2,794	4,246	7,580	8,371	–	–
Allocated using Sampling	18,421	16,321	6,579	7,856	19,897	21,035	7,523	7,907
Total Segment Revenue	–	–	–	–	–	–	–	–
Inter-segment revenue	18,421	16,321	6,579	7,856	19,897	21,035	7,523	7,907
Service Revenue	12,551	11,801	2,482	2,611	8,989	9,080	3,577	3,083
Total Direct Costs	4,507	4,086	1,606	1,902	6,821	6,987	3,761	3,540
Total Indirect Costs	5,268	4,759	1,352	1,352	4,882	4,813	2,111	1,992
Total Common Costs	22,326	20,646	5,349	5,865	20,692	20,880	9,449	8,615
Service Expenditure	(3,905)	(4,325)	1,230	1,991	(795)	155	(1,926)	(708)
Net Segment Profit/(Loss)							(568)	521
							(5,964)	(2,366)

Note – 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 INCOME STATEMENT FOR MAILS BUSINESS SEGMENT CONTINUED – NON USO

International (Outbound) segment	Total Non USO		Total International (Outbound) Segment	
	2015	2014	2015	2014
Volume ('000s)	4,171	4,218	31,798	32,045
	€'000	€'000	€'000	€'000
Revenue				
Directly Attributable	17,328	18,206	52,102	53,684
Allocated using Sampling	–	–	26,060	26,855
Total Segment Revenue	17,328	18,206	78,162	80,539
Inter-segment revenue	–	–	–	–
Service Revenue	17,328	18,206	78,162	80,539
Total Direct Costs	6,222	6,939	39,256	38,727
Total Indirect Costs	7,019	7,238	25,142	25,229
Total Common Costs	3,912	4,272	19,553	19,192
Service Expenditure	17,153	18,449	83,951	83,148
Net Segment Profit/(Loss)	175	(243)	(5,789)	(2,609)

Note 1 – Bulk Mail including IBMS Extra and IBMS DSA

SUMMARY INCOME STATEMENT FOR EACH UNIVERSAL SERVICE – USO

Domestic Letter Services	Fully Paid – Stamped		Fully Paid – Labels		Fully Paid – Metered		Freepost/Business Reply Mail		Total – Fully Paid	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Volume ('000s)	71,343	76,333	102	101	75,767	83,341	7,154	8,553	154,366	168,328
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue										
Directly Attributable	–	–	70	65	–	–	4,817	5,454	4,887	5,519
Allocated using Sampling	49,940	48,853	–	–	50,593	52,225	–	–	100,533	101,078
Total Segment Revenue	49,940	48,853	70	65	50,593	52,225	4,817	5,454	105,420	106,597
Inter-segment revenue	–	–	–	–	19	30	210	162	229	192
Service Revenue	49,940	48,853	70	65	50,612	52,255	5,027	5,616	105,649	106,789
Total Direct Costs	4,726	4,745	6	5	3,051	3,552	412	498	8,195	8,800
Total Indirect Costs	39,696	40,273	55	52	34,363	36,178	3,143	3,603	77,257	80,106
Total Common Costs	17,125	16,997	24	23	15,171	15,735	1,440	1,622	33,760	34,377
Service Expenditure	61,547	62,015	85	80	52,585	55,465	4,995	5,723	119,212	123,283
Net Service Profit/(Loss)	(11,607)	(13,162)	(15)	(15)	(1,973)	(3,210)	32	(107)	(13,563)	(16,494)

SUMMARY INCOME STATEMENT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

Domestic Letter Services continued	Deferred before noon >85% auto (Disc 6)		Pre-sort before 5.30pm (Disc 9)		Total USO Domestic Letter Services	
	2015	2014	2015	2014	2015	2014
Volume ('000s)	74,184	142,443	783	642	229,333	311,413
	€'000	€'000	€'000	€'000	€'000	€'000
Revenue						
Directly Attributable	37,469	67,357	422	323	42,778	73,199
Allocated using Sampling	–	–	–	–	100,533	101,078
Total Segment Revenue	37,469	67,357	422	323	143,311	174,277
Inter-segment revenue	–	–	–	–	229	192
Service Revenue	37,469	67,357	422	323	143,540	174,469
Expenditure						
Total Direct Costs	916	1,963	2	1	9,113	10,764
Total Indirect Costs	26,978	49,663	114	96	104,349	129,865
Total Common Costs	12,157	22,044	48	39	45,965	56,460
Service Expenditure	40,051	73,670	164	136	159,427	197,089
Net Service Profit/(Loss)	(2,582)	(6,313)	258	187	(15,887)	(22,620)

SUMMARY INCOME STATEMENT 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Volume ('000s)	4,286	4,258	1,280	1,284	9,983	10,982	604	586	16,153	17,110
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue										
Directly Attributable	–	–	2,094	1,959	–	–	835	747	2,929	2,706
Allocated using Sampling	6,323	5,574	–	–	14,152	14,535	–	–	20,475	20,109
Total Segment Revenue	6,323	5,574	2,094	1,959	14,152	14,535	835	747	23,404	22,815
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
Service Revenue	6,323	5,574	2,094	1,959	14,152	14,535	835	747	23,404	22,815
Total Direct Costs	464	466	121	128	835	1,020	67	66	1,487	1,680
Total Indirect Costs	4,403	4,117	1,345	1,281	8,077	8,424	439	402	14,264	14,224
Total Common Costs	1,758	1,618	530	497	3,345	3,458	193	176	5,826	5,749
Service Expenditure	6,625	6,201	1,996	1,906	12,257	12,902	699	644	21,577	21,653
Net Service Profit/(Loss)	(302)	(627)	98	53	1,895	1,633	136	103	1,827	1,162

SUMMARY INCOME STATEMENT FOR EACH UNIVERSAL SERVICE CONTINUED – USO

Domestic Flats Services continued	Deferred before noon >85% auto (Disc 6)		Pre-sort before 5.30pm (Disc 9)		Total USO Domestic Flats Services	
	2015	2014	2015	2014	2015	2014
Volume ('000s)	1,286	1,044	40	4	17,479	18,158
	€'000	€'000	€'000	€'000	€'000	€'000
Revenue						
Directly Attributable	1,626	1,090	49	8	4,604	3,804
Allocated using Sampling	–	–	–	–	20,475	20,109
Total Segment Revenue	1,626	1,090	49	8	25,079	23,913
Inter-segment revenue	–	–	–	–	–	–
Service Revenue	1,626	1,090	49	8	25,079	23,913
Total Direct Costs	116	98	–	–	1,603	1,778
Total Indirect Costs	734	567	23	2	15,021	14,793
Total Common Costs	340	260	10	1	6,176	6,010
Service Expenditure	1,190	925	33	3	22,800	22,581
Net Service Profit/(Loss)	436	165	16	5	2,279	1,332

SUMMARY INCOME STATEMENT 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Volume ('000s)	2,019	1,931	1,307	1,382	1,604	1,595	194	229	5,124	5,137
Revenue	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	–	–	6,227	6,258	–	–	762	810	6,989	7,068
Allocated using Sampling	5,277	5,503	–	–	6,342	5,682	–	–	11,619	11,185
Total Segment Revenue	5,277	5,503	6,227	6,258	6,342	5,682	762	810	18,608	18,253
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
Service Revenue	5,277	5,503	6,227	6,258	6,342	5,682	762	810	18,608	18,253
Total Direct Costs	84	118	30	69	18	65	6	11	138	263
Total Indirect Costs	4,753	4,416	3,464	3,460	3,428	3,243	379	430	12,024	11,549
Total Common Costs	1,777	1,617	1,262	1,242	1,289	1,205	147	162	4,475	4,226
Service Expenditure	6,614	6,151	4,756	4,771	4,735	4,513	532	603	16,637	16,038
Net Service Profit/(Loss)	(1,337)	(648)	1,471	1,487	1,607	1,169	230	207	1,971	2,215

SUMMARY INCOME STATEMENT 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 USO Letters	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Volume ('000s)	11,296	11,317	73	70	4,850	4,364	16,219	15,751	4,133	3,114	20,352	18,865
Revenue	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	–	–	70	61	–	–	70	61	2,665	2,022	2,735	2,083
Allocated using Sampling	11,301	10,349	–	–	4,385	3,889	15,686	14,238	–	–	15,686	14,238
Total Segment Revenue	11,301	10,349	70	61	4,385	3,889	15,756	14,299	2,665	2,022	18,421	16,321
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–	–	–
Service Revenue	11,301	10,349	70	61	4,385	3,889	15,756	14,299	2,665	2,022	18,421	16,321
Total Direct Costs	7,000	7,113	36	34	3,382	2,882	10,418	10,029	2,133	1,772	12,551	11,801
Total Indirect Costs	3,317	3,116	21	17	833	737	4,171	3,870	336	216	4,507	4,086
Total Common Costs	3,185	3,064	18	15	1,302	1,085	4,505	4,164	763	595	5,268	4,759
Service Expenditure	13,502	13,293	75	66	5,517	4,704	19,094	18,063	3,232	2,583	22,326	20,646
Net Service Profit/(Loss)	(2,201)	(2,944)	(5)	(5)	(1,132)	(815)	(3,338)	(3,764)	(567)	(561)	(3,905)	(4,325)

SUMMARY INCOME STATEMENT 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Volume ('000s)	301	515	741	779	819	1,608	1,861	2,902	1,221	1,253	3,082	4,155
Revenue	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	–	–	2,237	2,186	–	–	2,237	2,186	1,548	1,424	3,785	3,610
Allocated using Sampling	727	1,197	–	–	2,067	3,049	2,794	4,246	–	–	2,794	4,246
Total Segment Revenue	727	1,197	2,237	2,186	2,067	3,049	5,031	6,432	1,548	1,424	6,579	7,856
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–	–	–
Service Revenue	727	1,197	2,237	2,186	2,067	3,049	5,031	6,432	1,548	1,424	6,579	7,856
Total Direct Costs	425	476	593	518	858	1,181	1,876	2,175	606	436	2,482	2,611
Total Indirect Costs	251	391	679	645	439	681	1,369	1,717	237	185	1,606	1,902
Total Common Costs	209	260	392	349	400	558	1,001	1,167	260	185	1,261	1,352
Service Expenditure	885	1,127	1,664	1,512	1,697	2,420	4,246	5,059	1,103	806	5,349	5,865
Net Service Profit/(Loss)	(158)	70	573	674	370	629	785	1,373	445	618	1,230	1,991

SUMMARY INCOME STATEMENT 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Volume ('000s)	1,033	1,335	1,359	1,417	332	292	2,724	3,044	347	560	3,071	3,604
Revenue	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Directly Attributable	–	–	11,219	11,042	–	–	11,219	11,042	1,098	1,622	12,317	12,664
Allocated using Sampling	5,611	6,842	–	–	1,969	1,529	7,580	8,371	–	–	7,580	8,371
Total Segment Revenue	5,611	6,842	11,219	11,042	1,969	1,529	18,799	19,413	1,098	1,622	19,897	21,035
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–	–	–
Service Revenue	5,611	6,842	11,219	11,042	1,969	1,529	18,799	19,413	1,098	1,622	19,897	21,035
Total Direct Costs	3,018	3,262	4,069	3,531	1,042	768	8,129	7,561	860	1,519	8,989	9,080
Total Indirect Costs	2,291	2,687	3,579	3,341	582	461	6,452	6,489	369	498	6,821	6,987
Total Common Costs	1,640	1,783	2,362	2,058	501	368	4,503	4,209	379	604	4,882	4,813
Service Expenditure	6,949	7,732	10,010	8,930	2,125	1,597	19,084	18,259	1,608	2,621	20,692	20,880
Net Service Profit/(Loss)	(1,338)	(890)	1,209	2,112	(156)	(68)	(285)	1,154	(510)	(999)	(795)	155

NOTES TO THE SUMMARY REGULATORY FINANCIAL STATEMENTS

1. Reconciliation of Revenue to the Statutory Accounts

	2015 €m	2014 €m
Mails USO	336.8	364.7
Mails Non USO	203.2	173.6
Consolidation Adjustments	(16.7)	(15.6)
Regulatory Accounts Adjustments*	3.6	(0.8)
Postage: Letters & Parcels	526.9	521.9
Retail	164.1	166.8
Interest Income & Other Services	135.1	131.9
Revenue Per Statutory Accounts	826.1	820.6
*Regulatory Accounts Adjustments		
Stamp Retailing Commission etc.	(1.1)	(0.9)
Terminal Dues	4.7	0.1
	3.6	(0.8)

2. Reconciliation of Operating Costs to the Statutory Accounts

	2015 €m	2014 €m
Mails USO Per Regulatory Accounts	369.1	402.9
Mails Non USO	196.2	162.3
Regulatory Accounts Adjustments*	(1.1)	(1.2)
Retail	145.2	145.7
Corporate/Subsidiaries etc.	111.5	105.0
Operating Costs Per Statutory Accounts	820.9	814.7
*Regulatory Accounts Adjustments		
College House Provision	–	(0.3)
Stamp Retailing Commission etc.	(1.1)	(0.9)
	(1.1)	(1.2)

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

	2015 €m	2014 €m
Mails USO Per Regulatory Accounts	(32.3)	(38.2)
Mails Non USO	7.0	11.3
Retail	14.2	17.3
Regulatory Accounts Adjustments*	4.7	0.4
Corporate/Subsidiaries etc.	11.6	15.1
Operating Profit/(Loss) – Continuing Operations	5.2	5.9
*Regulatory Accounts Adjustments		
Revenue	(3.6)	0.8
Expenditure	(1.1)	(1.2)
	(4.7)	(0.4)

4. Non Current Assets

	Land & Buildings €m	Motor Vehicles €m	Computer & Other Equipment €m	Total €m
Net Book Values as at 31/12/2014	190.5	0.1	39.0	229.6
Additions/Disposals/Other	(5.5)	–	4.3	(1.2)
Depreciation	(5.9)	(0.1)	(8.8)	(14.8)
Net Book Values as at 31/12/2015	179.1	–	34.5	213.6

5. Trade and other receivables

	2015 €m	2014 €m
Trade Debtors	23.7	3.3
Inter Group Debtors	0.4	0.2
Prepayments & Accrued Income	7.7	8.2
	31.8	11.7

NOTES TO THE SUMMARY REGULATORY FINANCIAL STATEMENTS CONTINUED

6. Creditors (Amounts falling due within 1 year)

	2015 €m	2014 €m
Trade Creditors	22.4	7.2
Inter Group & Other Creditors	3.9	7.5
Taxation and Social Welfare	9.1	8.7
Accruals	36.0	43.4
Finance Lease – Short Term	2.8	1.9
Deferred Income – Capital Grants	0.1	0.1
Deferred Postage Income	11.7	11.7
	86.0	80.5

7. Creditors (Amounts falling due after 1 year)

	2015 €m	2014 €m
Finance Lease – Long Term	13.2	14.5
Deferred Income – Capital Grants	3.0	3.2
	16.2	17.7

8. IFRS Prior Year Transition

	Irish GAAP 31 Dec 14 €m	Transition Adjustment €m	IFRS 31 Dec 14 €m
Revenue	820.6	(5.1)	815.5
Operating Costs	814.7	(1.6)	813.1
Operating Profit/(Loss)	5.9	(3.5)	2.4

	Irish GAAP 31 Dec 14 €m	Transition Adjustment €m	IFRS 31 Dec 14 €m
Balance Sheet			
Statement of Net Assets			
Total non-current assets	271.9	20.4	292.3
Trade and other receivables	109.1	(10.0)	99.1
Cash	55.6	348.6	404.2
Creditor (<1 year)	(156.4)	(386.6)	(543.0)
Net Current (Liabilities)/Assets	8.3	(48.0)	(39.7)
Creditors (>1 year)	(24.3)	3.0	(21.3)
Provisions	(38.5)	2.9	(35.6)
Pension Liability	(440.5)	–	(440.5)
Total Net Current Assets	(223.1)	(21.7)	(244.8)

Reconciliation to Equity and Reserves

Called-up share capital	68.2	–	68.2
Other capital reserves	0.9	–	0.9
Retained earnings & Non-controlling interests	(292.2)	(21.7)	(313.9)
Total Equity	(223.1)	(21.7)	(244.8)

SUPPLEMENTARY INFORMATION – VOLUMES (UNAUDITED)

	Total	
	2015 m	2014 m
Operational Volume Total	584.2	614.0
Revenue Derived Volume Total	559.0	601.4
Difference	25.2	12.6

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:

- The Revenue Derived and Operational Volumes are derived from fundamentally different systems and processes
- Real Mail Study (RMS) Sampling is undertaken to an accuracy of +/- 1%
- Estimation is required in operational volume counting, typically by the use of “Standard fill” assumptions

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:

- (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.

Pursuant to Section 16(1)(a) of the Act 2011 and on foot of An Post's application, four separate decisions were made by ComReg in 2014 to grant An Post certain derogations from 1 January 2015 in respect of the above. As exceptional circumstances apply in respect of each of the four working days set out below, ComReg has granted the following derogations from the universal postal service obligation ("USO"):

- (i) A part derogation from the USO shall apply for Good Friday;
- (ii) Derogation from the USO for Mondays following a public holiday which falls on a Saturday or Sunday;
- (iii) Derogation from the USO for 24 December (Christmas Eve - derogations for Collections only); and
- (iv) Derogation from the USO for first working day after 26 December (St. Stephen's Day).

Details of these decisions and conditions attached to the above derogations are available from ComReg document 14/135 at www.comreg.ie

The following USO services are provided:

- (a) the clearance, sorting, transport and distribution of postal packets up to 2kg 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 of the European Union 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 or www.comreg.ie

The terms and conditions of Universal Services are available on www.anpost.ie

Access to Universal Services

An Post provides access to its services through its network of 51 Company post offices and 1,079 Contract post offices. In addition, some 943 retail premises are licensed to sell postage stamps, as active licensed agents. To facilitate physical access to the service, approximately 5,700 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 100g which were applicable since 1 July 2015.

	Ireland & NI	
	Standard Post	Registered Post*
Letters (up to C5)	70c 66c if item bears a franking impression	€6.10
Large Envelopes	€1.25 €1.20 if item bears a franking impression	€6.10
Packets	€2.80 €2.70 if item bears a franking impression	€6.10
Parcels	€7.00	€11.00

*The fee payable for the basic registered service covers compensation up to a maximum of €320. Further compensation (non Universal Service) 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	
	Standard Post	Registered Post*
Letters (up to C5)	€1.05	€6.10
Large Envelopes	€2.05	€7.05
Packets	€3.90	€8.90
Parcels		
Great Britain	€20.50	€25.50
Rest of World	€25.50	€30.50

*Availability of service dependent on postal administration in destination country. Compensation up to €320 in Great Britain; €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).

UNIVERSAL SERVICE CONTINUED

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 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.

Following a public consultation in 2015 ComReg confirmed on 30 November 2015 in its Decision D07/15 that there would be no change in the above standards.

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 2015. The total continues to represent a minute fraction of the entire mail traffic handled during the year.

Written complaints received from customers	2015	2014
Items lost or substantially delayed	18,891	18,214
Items damaged	1,441	1,140
Items arriving late	401	319
Mail collection or delivery:		
Time of delivery	–	–
Failure to make daily delivery to home or premises	33	71
Collection times/Collection failures	1	2
Misdelivery	470	394
Access to customer service information	8	10
Underpaid mail	40	119
Tariffs for single piece mail/discount schemes and conditions	–	5
Change of address (Redirections)	464	398
Behaviour and competence of postal personnel	21	48
How complaints are treated	8	1
Other (not included in above)	1,391	1,569
Total	23,169*	22,290

*This represents 0.004% of total mail handled in the year.

Included in the total figure are complaints about registered items, which number 4,962 (2014: 5,326).

In 2015, there were 524,154 telephone calls (2014: 534,354) made to An Post Customer Services. Most of these were routine or general enquiries rather than complaints.

ComReg has issued Guidelines for Postal Service Providers on Complaints and Redress Procedures (see ComReg document 14/06 on www.comreg.ie). 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.

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, by visiting www.anpost.ie, or by calling into any post office.

GLOSSARY AND EXPLANATION OF TERMS

2015

Year ending 31 December 2015

2014

Year ending 31 December 2014

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 2015.

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.

IFRS (EU IFRS)

International Financial Reporting Standards, as adopted by the EU.

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

Regulatory Financial Statements (Regulatory Accounts)

The statements, accounts and reports which specifically refer to the year ended 31 December 2015.

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 in accordance with the relevant standard (IS:EN 13850:2012).

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.

UPU

Universal Postal Union

USP

Universal Service Provider

USO

Universal Service Obligation

Volumes

Volumes refer to addressed mail.

An Post
General Post Office
O'Connell Street
Dublin 1
D01 F5P2
Ireland

