

Postal sector remains on track for future growth

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- **The global postal industry averaged 1.5% revenue growth in H1 2016 following robust 2015 results**
- **Growing e-commerce volumes continue to offer opportunities for posts and represent further growth potential**
- **IPC's 2016 Global Postal Industry Report's Key Findings presents full-year 2015 results and initial 2016 results**

Brussels, 01 December 2016 – Slowing global economic growth, steadily increasing digitisation and rapid growth in e-commerce, especially cross-border purchases, continue to present both opportunities and challenges for the global postal industry. Despite ongoing mail volume decline, industry revenue and profitability remain strong as postal operators focus on growth and efficiency initiatives.

The IPC Global Postal Industry Report's Key Findings released today highlights a positive outlook for the postal industry for 2016. Following the growth trend of 2015, revenue increased in the first half of 2016 (H1 2016) by 1.5%¹. At the business unit level in H1 2016, revenue returned to growth on average for mail (0.5%) but slowed for parcels (2.8%) compared to the same period in 2015 (7.1%). Operating margins remained robust for both divisions.

Holger Winklbauer, CEO of IPC said: *"As e-commerce continues to be the most important growth driver in parcels and as tech-savvy consumers require transparent, fast, cheap and convenient deliveries, posts are facing a world of opportunity. Posts have diversified a lot and pursued growth in*

markets like parcel and express and financial services. Even if the share of mail in overall revenue is decreasing, it is still significant and remains a major focus of postal innovation and investment."

 half-year results

E-commerce and digitisation continue to drive change – growth potential for posts remains

 parcels express

Industry Report is published yearly and provides a comprehensive and detailed review of industry trends and operator performance. Covering 45 postal operators worldwide along with major integrators, the report includes a broad range of analyses across key areas such as digitisation, e-commerce and diversification, along with insights into emerging industry trends including last-mile innovation. The full IPC Global Postal Industry Report is available for purchase by stakeholders outside the IPC membership.

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By 2020, more than half the world's population will use the internet, though the digital divide will still remain wide. Governments are looking to address this disparity by increasing coverage and speed while reducing access costs, particularly in more remote regions. Digital technology and mobile connectivity have changed how consumers and businesses interact, particularly in the buying and selling of goods and services. As a result, online shopping is booming: global internet retail sales have grown by more than 20% a year on average since 2005.

Winklbauer continues: *"The postal industry's parcel volume more than doubled over the last decade, growing at a rate far above economic growth. Parcel volume growth in 2015 accelerated to 7.2% on average – more than double that of world GDP (3.1%). However, in line with the continuously increasing online sales, a large opportunity remains for postal operators."*

The above insights are published today in IPC's new publicly available report: the IPC 2016 Key Findings. The full IPC Global Postal

1 Based on a subset of the 45 postal operators included in the 2016 IPC Global Postal Industry Report that publish interim financial results.

About International Post Corporation

International Post Corporation (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. IPC's solutions and services are used by over 180 posts worldwide. Since 1989 IPC has set standards for upgrading quality and service performance and developed technological solutions that help members enhance service for international letters, packets and parcels. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms and programmes for member post CEOs and senior management to exchange best practices and discuss strategy. IPC also manages the system for incentive-based payments between postal operators.



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