

Post Matters ... Delivered to YOU by ONEPOST!

ONEPOST

Edition Number 1

April 2005

ONEPOST is the latest and most exciting development in the UK postal market. It is a comprehensive advice and postal management service designed to get the best possible value from the new postal products being developed.

Across the country, mailers are now seeing real benefits as a result of the gradual liberalisation of the postal market. New products and opportunities are leading to significant savings ... so why not contact us? You've nothing to lose and plenty to gain!

POST MATTERS

We do recognise that this new era will create an element of 'customer confusion'. That is why we have decided to keep you informed regarding some of the issues faced, together with market developments. And, don't forget, our team is here to help you maximise your postal and distribution budget.

THE POSTAL MARKET

Royal Mail's monopoly of the UK postal market is effectively now over. Postcomm (the postal regulator) has already awarded full long-term licences to at least eight other carriers. And, from January 2006, the market will be fully open to competition. This means that, for the first time, mailers will have real choices to make.

ONEPOST is designed to help you make those choices.

CHOICES

The liberated market has already allowed customers to benefit from innovation, lower prices and a choice of postal carrier.

New carriers effectively have two choices on how they wish to operate...

End To End: As the name suggests, this service includes the collection, distribution and delivering of a customer's mail.

Access Agreement: This service means that the licence holder will collect and distribute the mail to Royal Mail delivery offices. From there the Royal Mail will provide the so-called 'final mile' delivery.

SIZE MATTERS

This initiative appears to drag on forever!

Royal Mail has spent many months preparing its case for the Introduction of Size Based Pricing. In its simplest form, Size Based Pricing will assess postage costs by its size, thickness and weight. Royal Mail believes that such a system is more reflective of its cost base. Postcomm (the Regulator) has just produced yet another 'consultation document' in which it says it is 'minded to accept' the revised proposals. In addition, we are now referring to the initiative as "**Pricing in Proportion.**" The consultation period is effective up to 4th July 2005.

NEWSLETTER

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The logo for ONEPOST, featuring the word "ONEPOST" in a stylized font with "ONE" in red and "POST" in blue, set against a white background with a grey border.

ONEPOST welcomes any new initiative that might help mailers, but we can neither support nor criticise Size Based Pricing/Pricing in Proportion until such time as we are aware of the final details - including a full pricing formula.

What we would welcome most of all is a true end date to work towards. In this regard we will be lobbying Postcomm to provide a definite timescale ... we cannot leave the industry in a permanent state of uncertainty.

In the meantime, if you require more details regarding these proposals then please use one of the contact points described below.

VALUE ADDED TAX

Value Added Tax (VAT) is seen as one of the last barriers to remove for full and genuine competition to emerge in the UK postal market.

Royal Mail postal services are exempt from VAT, whereas the new carriers are obliged to charge the full 17.5% for their services.

Postcomm is consulting on this anomaly and is suggesting that a reduced rate of VAT for all providers of postal services would create a financially - level playing field. The likely reduced rate figure is 5%.

Unfortunately, this is indeed a complicated issue - and one that is

likely to run for a while longer yet. In the meantime, we are pleased to advise that the ONEPOST team of experts has investigated the whole area of VAT on postal services and that there are possible solutions already in place. If you are interested in learning more then please do contact us.

NEW PRICES FROM APRIL 7th 2005

You will have probably noticed that Royal Mail has just introduced a new pricing structure with effect from 7th April 2005. In addition, some changes have been made to the volume bands for some of the Mailsort contracts.

If you are unclear about what these changes might mean to your company - or simply would like some advice about how best to maximise your mailing budget, then please do contact us, we will be happy to help!

SO, DOES POST MATTER TO YOU?

We hope that you find this initial Newsletter useful and informative. We welcome your feedback and if you want us to include information on any particular subject in the future then just let us know.

CONTACT ONEPOST AT

Our team of experts can be contacted at: ONEPOST Springfield House West Street Bedminster Bristol BS3 3NX

Or you can ...

Telephone: 07967 698702 and speak to Tim Norman or

E- MAIL: tim.norman@onepost.co.uk

Or visit: www.onepost.co.uk

Talking to us just might make your life easier!

NEWSLETTER