

**NETWORK OF POSTAL ESTABLISHMENTS RELATIVE TO
CTT – CORREIOS DE PORTUGAL, S.A.,
AS AT THE END OF FIRST HALF 2012**

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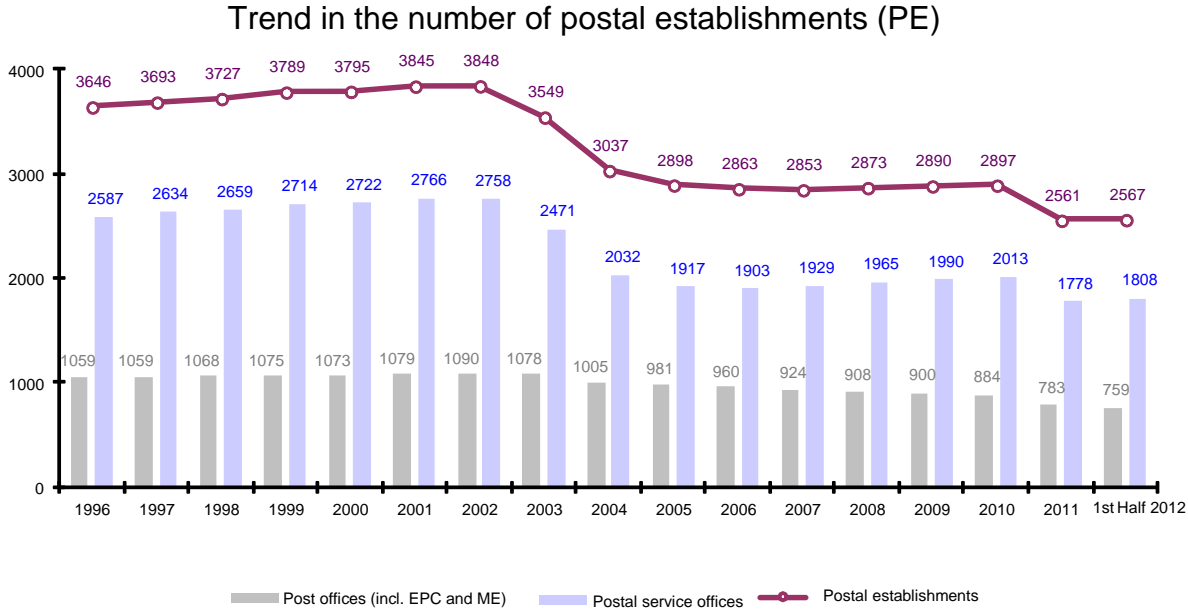
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The following information refers to the postal establishments of the universal postal service concessionaire (CTT - Correios de Portugal, S.A., hereinafter CTT) as well as to the postal establishments of private and other entities providing postal services which have been conceded to CTT.

1. EXECUTIVE SUMMARY

A. Network as at the end of the first half of 2012

1. At the end of the first half of 2012 there were 2567 postal establishments in operation (6 more than at the end of 2011). Of these: 750 were permanent post offices (24 fewer than at the end of 2011), 9 were mobile post offices (no change relative to the end of 2011) and 1808 were postal service offices¹ (30 more than at the end of 2011).
2. In 8 of these permanent post offices (the same as at the end of 20011) the customer service operations are contracted out in accordance with Base XXII, paragraph 1 of the Universal postal service concession (Concession).
3. Overall, in the first half of 2012, there was stabilization in the total number of postal establishments (see graph below), relative to the second half of 2011.



Source: CTT data.
Note: Values at the end of each period.

¹ Postal service offices are establishments operated by third parties, in accordance with a contract, with all such establishments providing the postal services included in the universal service (Source: CTT).

4. At the end of the first half of 2012, there was at least one post office in each municipality.
5. Considering the entire network of postal establishments (that is including the network of post offices and postal service offices), at the end of the first half of 2012:
 - a) In 95.1 percent of municipalities (293 municipalities, as at the end of 2011) there were two or more postal establishments;
 - b) There was at least one postal establishment in 51.4 percent of parishes, corresponding to a total of 2183 parishes (2181 parishes at the end of 2011), taking into account the total of 4241 parishes (2001 Census). It is further reported that: there was at least one postal establishment in 28.9 percent of parishes with less than 1000 inhabitants (626 parishes, 2 more than at the end of 2011); there was at least one postal establishment in 74.9 percent of parishes with more than 1000 inhabitants (1557 parishes, as at the end of 2011).
6. According to CTT, as at the end of the first half of 2012, all post offices provided the full range of concession services while 38.4 percent of postal service offices, i.e. 695 in absolute terms (as at the end of 2011) did not offer parcel services, although they did provide the other concession services.
7. Based on available data on the network of permanent postal establishments belonging to the providers of universal service in the Member States of the European Union (EU), with reference to 2011, it can be concluded that the situation in Portugal compares favourably with the average of the EU (excluding Portugal), both in terms of service coverage (average area, in km², per permanent postal establishment) and in terms of service density (average number of inhabitants per permanent postal establishment).
8. In Portugal 29 percent of the postal establishment network consists of post offices managed by CTT. The other 71 percent are managed by third parties. This figure is lower, according to Universal Postal Union (UPU) data from 2011, than that reported in Sweden (84 percent), Finland (87 percent), Denmark (88 percent), Cyprus (95 percent), Ireland (95 percent), the United Kingdom (97 percent), the Netherlands (100 percent), and Germany (100 percent).

B. Notifications received during the first half of 2012

During the first half of 2012, ICP-ANACOM received 54 notifications from CTT about postal establishments, pursuant to paragraph 4 of Base XX of the Concession, in the amendment enacted by Decree-Law 112/2006 of 9 June, as follows:

- a) closure of 4 post offices;
- b) closure of 20 post offices, replaced by postal service offices, 17 of which managed by parishes;
- c) establishment of 2 post offices;

- d) reduction in the working hours of 24 post offices;
- e) increase in the working hours of 4 post offices.

2. FRAMEWORK

In accordance with paragraph 3 of Base XX of the Bases for the universal postal service concession (Concession)², CTT is responsible for:

- a) the establishment and closure of postal establishments;
- b) the alteration of the working hours of postal establishments, taking into account service needs and levels of demand.

CTT is bound to notify ICP-ANACOM of decisions which it takes in respect of the above, and shall, in respect of the closure of postal establishments or the reduction of the working hours of postal establishments, provide grounds for such decisions, especially in terms of service needs, levels of demand and satisfaction of the communication needs of the population and of economic activities (paragraph 4 of Base XX, in the amendment enacted by Decree-Law 112/2006 of 9 June).

3. TREND OF NETWORK OF POSTAL ESTABLISHMENTS

1. At the end of the first half of 2012, 2567 postal establishments were in operation (see Graph 1), comprising:
 - a) 750 permanent post offices (including 15 postal agencies³);
 - b) 9 mobile post offices⁴;
 - c) 1808 postal service offices⁵.

² Approved by Decree-Law 448/99, of 4 November (<http://www.anacom.pt/render.jsp?contentId=980067>), as amended by Decree-Law 116/2003 of 12 June (<http://www.anacom.pt/render.jsp?contentId=980055>) and Decree-Law 112/2006 of 9 June (<http://www.anacom.pt/render.jsp?contentId=980236>).

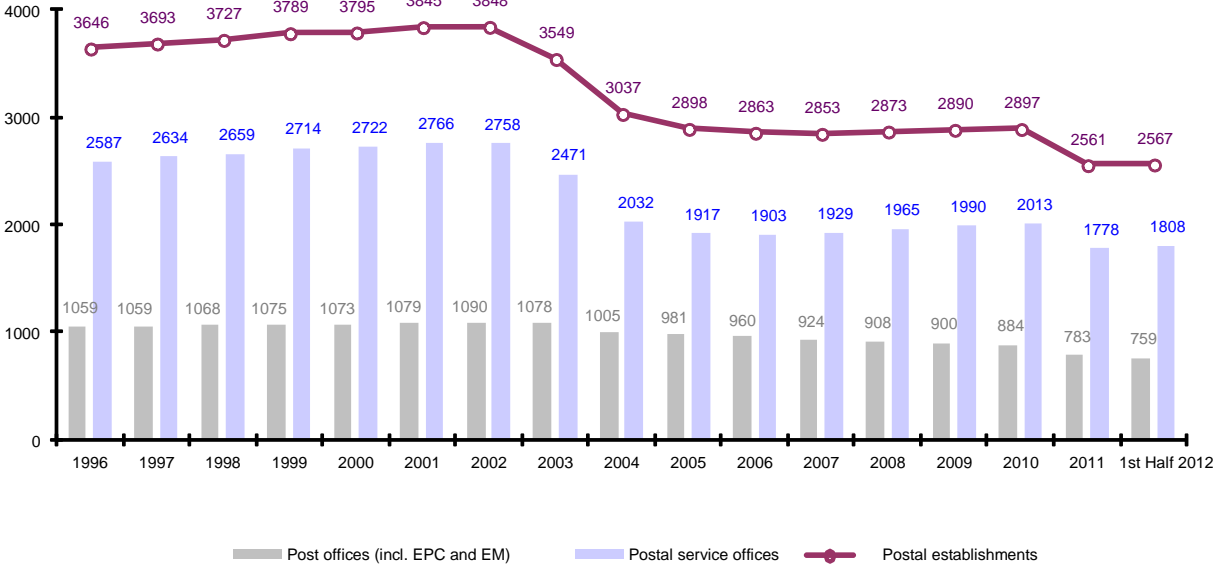
³ Postal agencies are postal establishments which are the same as post offices in physical terms and in terms of the level of postal services provided to users and customers, being different from post offices only in terms of the internal organisation of CTT, given that these are establishments which depend, in terms of hierarchical structure, on offices (Source: CTT).

⁴ Mobile post offices are postal establishments installed in automobile vehicles which follow previously defined routes and which stop in specific areas not served by permanent offices. The services provided are the same as those provided by fixed postal offices (Source: CTT).

⁵ Postal service offices are establishments operated by third parties, in accordance with a contract, with all such establishments providing the postal services included in the universal service (Source: CTT).

2. Compared with the end of 2011, an increase of 6 postal establishments is reported, resulting from the reduction of 24 in the number of post offices and an increase of 30 in the number of postal service offices. This results, during the first half of 2012, from:
 - a) the closure of 25 post offices (21 of which were replaced by postal service offices);
 - b) establishment of 1 post office;
 - c) opening of 38 postal service offices;
 - d) the closure of 8 postal service offices.
3. Overall, in the first half of 2012, the total number of postal establishments stabilized (see **Graph 1**), relative to the end of 2011.
4. At the end of the first half of 2012, it can be seen that in 8 of these permanent post offices CTT has contracted out the customer service operations (same number as at end of 2011), under the terms of Base XXII, paragraph 1 of the Concession.

Graph 1 – Trend in the number of postal establishments (PE)

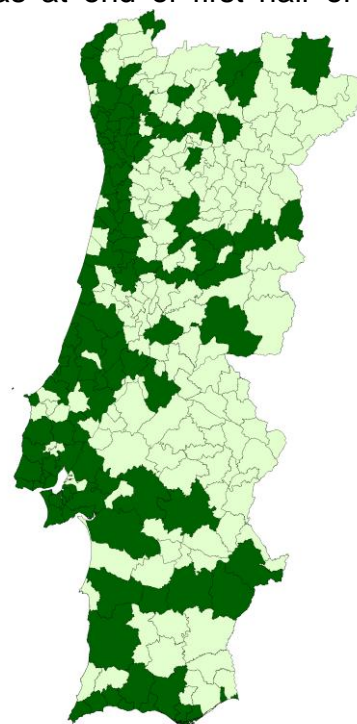
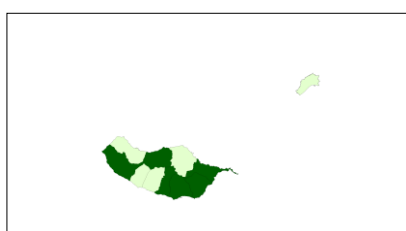
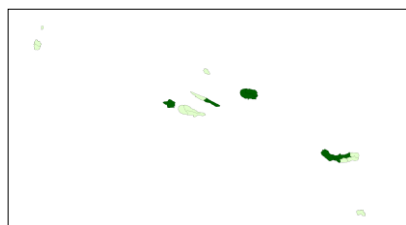


Source: CTT data.
 Note: Values at the end of each period.

5. With respect to post offices, at the end of the first half of 2012:
 - a) there was at least one post office in every municipality (see **Graph 2**)
 - b) there were two or more post offices in 127 municipalities (around 41 percent of all municipalities), which is 9 fewer municipalities than at the end of 2011.

Graph 2 – Post offices per municipality as at end of first half of 2012 (number of municipalities)

> 1 EC (127)
 1 EC (181)

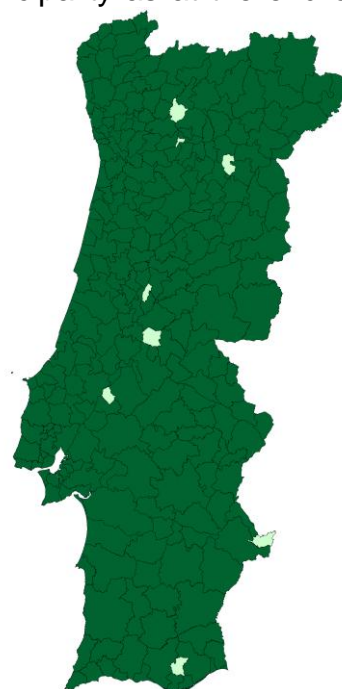
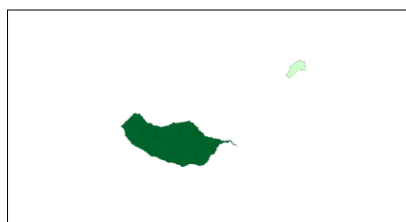


Source: CTT data.

6. Considering the entire network of postal establishments (i.e. including the network of post offices and postal service offices) as at the end of the first half of 2012:
 - a) 95.1 percent of municipalities (293 municipalities) had two or more postal establishments, as reported at the end of 2011 (see **Graph 3**).

Graph 3 – Postal establishments per municipality as at the end of first half 2012 (number of municipalities)

> 1 EP (293)
 1 EP (15)

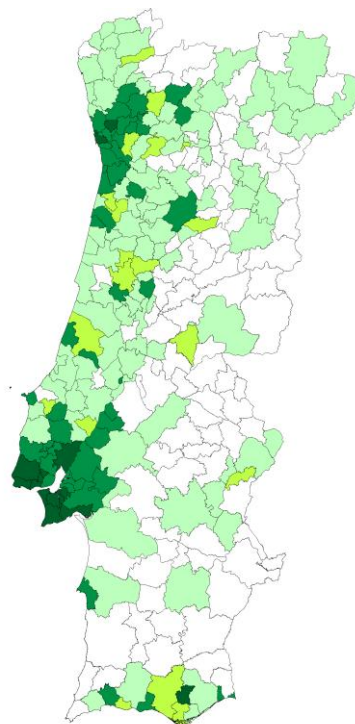
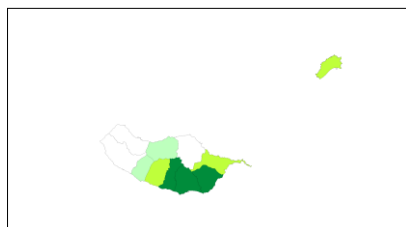


Source: CTT data.

- b) Each postal establishment serves an average of 4144 inhabitants. In general terms the density index was higher in coastal regions, in line with the population density of the territory (see **Graph 4**);
- c) On average, one postal establishment can be found per 35.9 km². In general terms, the regions of the interior and Sul do Tejo, as well as some of the islands of the Autonomous Region of the Azores, have a higher postal coverage rate (km² per postal establishment) - see **Graph 5**;
- d) There was at least one postal establishment in 51.4 percent of parishes, corresponding to a total of 2183 parishes (2181 parishes at the end of 2011), taking into account the total of 4241 parishes (2001 Census). It is further reported that: there was at least one postal establishment in 28.9 percent of parishes with fewer than 1000 inhabitants (626 parishes, 2 more than at the end of 2011); there was at least one postal establishment in 74.9 percent of parishes with more than 1000 inhabitants (1557 parishes, same number as at the end of 2011).

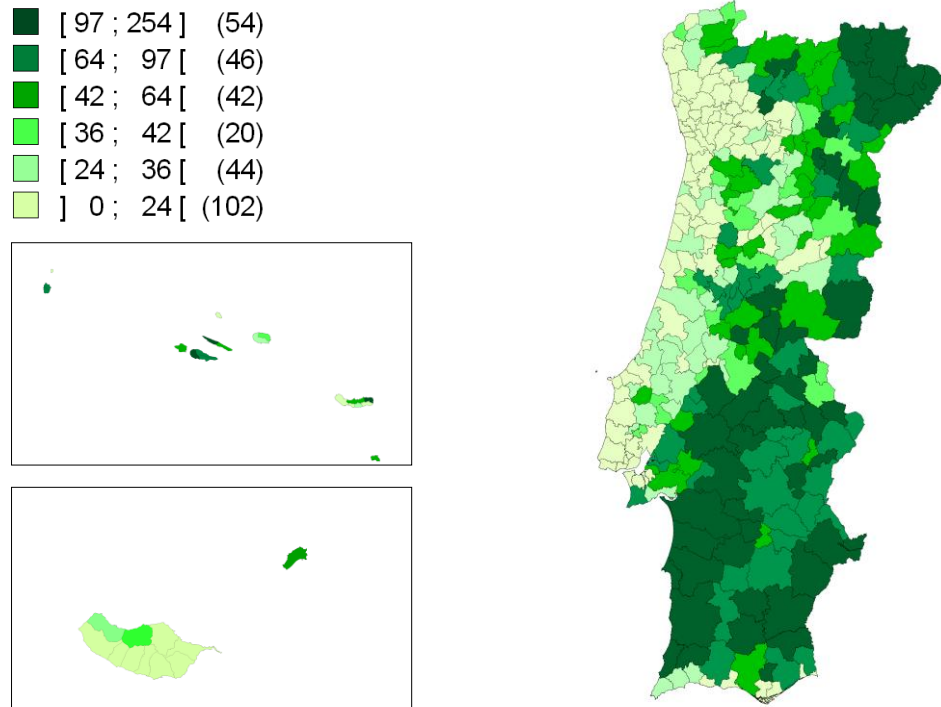
Graph 4 – Population per postal establishment, per municipality, as at the end of first half of 2012 (number of municipalities)

■	[9 440 ; 18 880]	(15)
■	[4 720 ; 9 439]	(59)
■	[4 144 ; 4 719]	(22)
■	[2 072 ; 4 143]	(105)
□] 0 ; 2 071]	(107)



Source: CTT data.
Population: INE (National Statistics Office)

Graph 5 – Average area (km²) per postal establishment, by municipality, at the end of first half 2012 (number of municipalities)



Source: CTT data.
Area: INE (National Statistics Office).

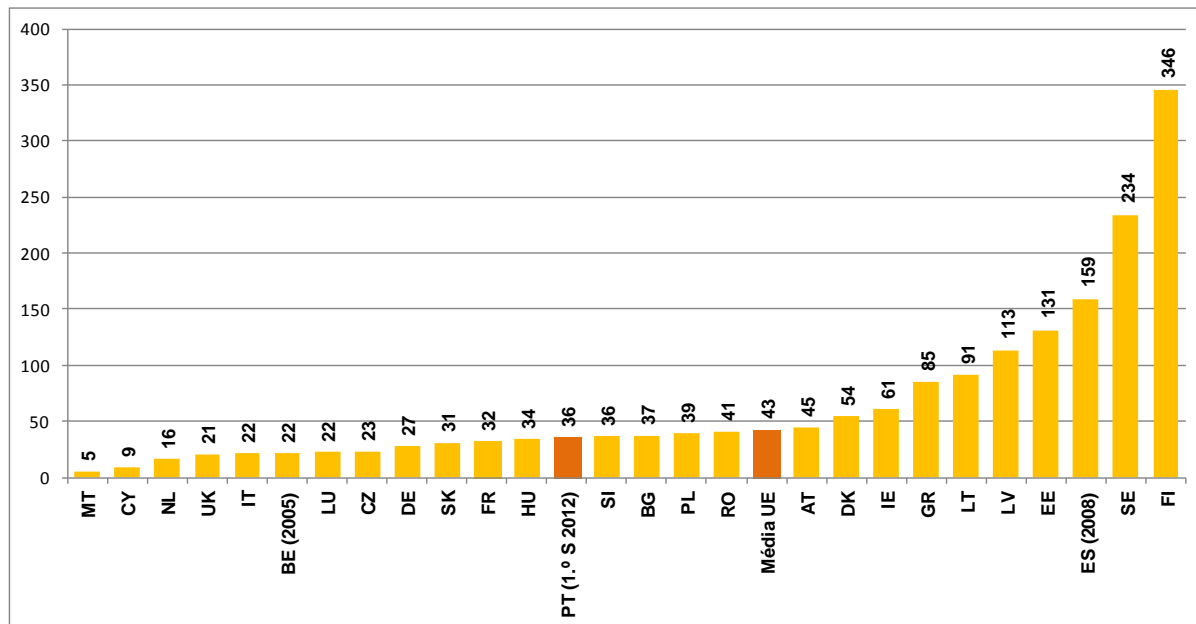
7. According to CTT, as at the end of the first half of 2012, all post offices provided the full range of concession services while 38.4 percent of postal service offices, i.e. 695 in absolute terms (the same number at the end of the first half of 2012) did not offer parcel services, although they did provide the other concession services. Meaning, 72.9 percent of all postal establishments provided the full range of concession services.

4. INTERNACIONAL COMPARISON

1. Based on available data (source UPU⁶) on the network of permanent postal establishments belonging to the providers of universal service in the Member States (MS) of the European Union (EU), with reference to 2011, it can be concluded that the situation in Portugal compares favourably with the EU average (excluding Portugal), both in terms of postal coverage (see **Graph 6**) and in terms of service density (see **Graph 7**).
2. The differences between EU Member States may result from the specific geographic characteristics of each country. They may also be due to the fact that in some countries postmen provide mail services which are similar to those provided in postal establishments.

⁶ Universal Postal Union: www.upu.int.

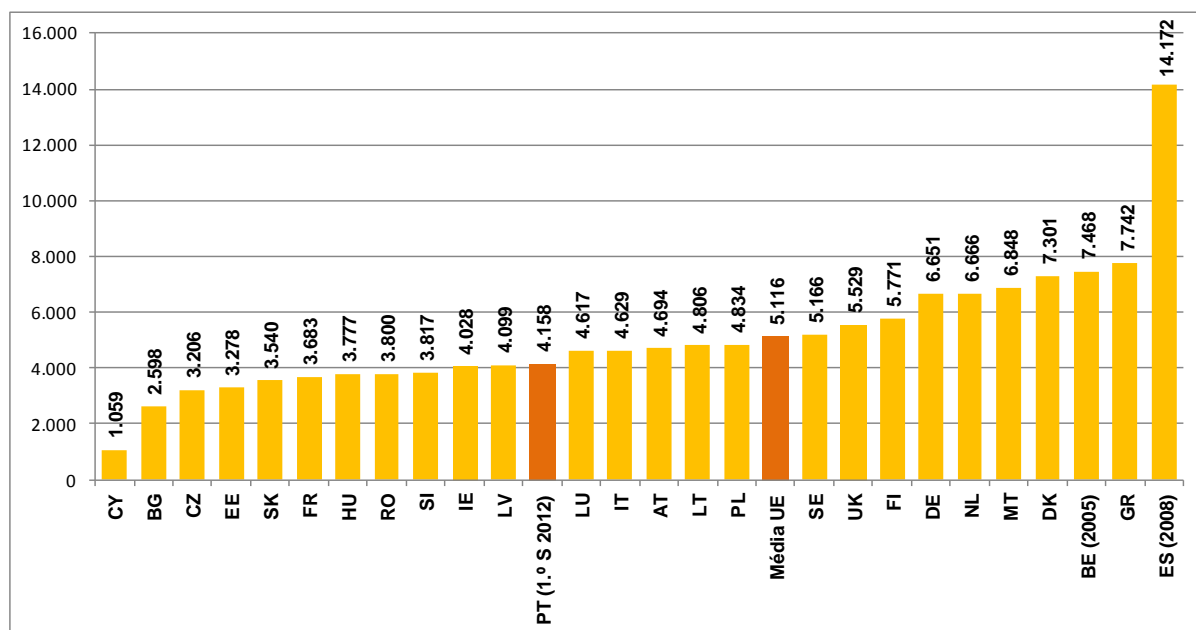
Graph 6 - Coverage of permanent postal establishments in EU Member States in 2011 (km² per postal establishment)



Source: UPU. For countries with no data for 2011, the most recent data available from UPU was used (relevant year in brackets).

EU excluding Portugal. PT (1st half 2012): Figure for Portugal as at the end of the first half of 2012.

Graph 7 - Density of postal establishments in the Member States of the European Union in 2011 (population per postal establishment)

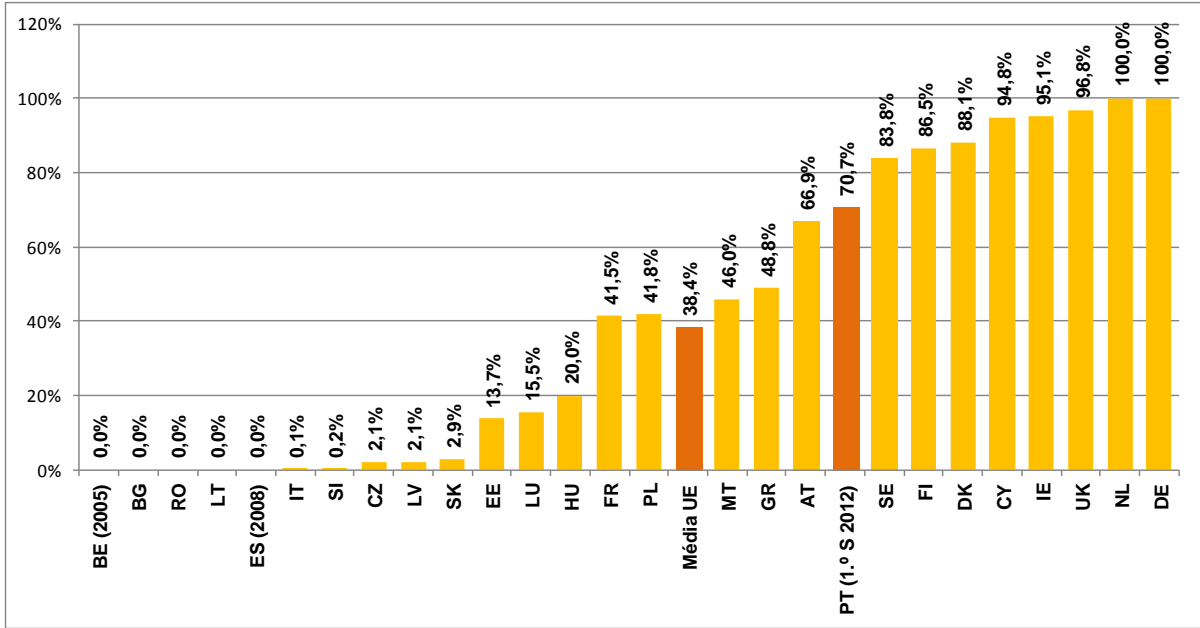


Source: UPU. For countries with no data for 2011, the most recent data available from UPU was used (relevant year in brackets).

EU excluding Portugal. PT (1st half 2012): Figure for Portugal as at the end of the first half of 2012.

3. In Portugal about 71 percent of permanent postal establishments are managed by third parties. This figure is lower, according to UPU data from 2011, than that reported in Sweden (84 percent), Finland (87 percent), Denmark (88 percent), Cyprus (95 percent), Ireland (95 percent), the United Kingdom (97 percent), the Netherlands (100 percent), and Germany (100 percent).

Graph 8 – The relative importance of permanent postal establishments operated by third parties (2011)



Source: UPU. For countries with no data for 2011, the most recent data available from UPU was used (relevant year in brackets).

EU excluding Portugal. PT (1st half 2012): Figure for Portugal as at the end of the first half of 2012.

5. NOTIFICATIONS MADE TO ICP-ANACOM PURSUANT TO PARAGRAPH 4 OF BASE XX OF THE CONCESSION

1. During the first half of 2012, ICP-ANACOM received 54 notifications from CTT about postal establishments pursuant to paragraph 4 of Base XX of the Concession, in the amendment enacted by Decree- Law 112/2006 of 9 June, categorised as follows:
 - a) closure of 4 post offices;
 - b) closure of 20 post offices and their replacement by postal service offices, 17 of which managed by parishes;
 - c) establishment of 2 post offices;
 - d) reduction in the working hours of 24 post offices;
 - e) increase in the working hours of 4 post offices;

6. GLOSSARY

Germany	DE
Austria	AT
Belgium	BE
Bulgaria	BG
Cyprus	CY
Denmark	DK
Slovakia	SK
Slovenia	SI
Spain	ES
Estonia	EE
Finland	FI
France	FR
Greece	GR
Netherlands	NL
Hungary	HU
Ireland	IE
Italy	IT
Latvia	LV
Lithuania	LT
Luxembourg	LU
Malta	MT
Poland	PL
Portugal	PT
United Kingdom	UK
Czech Republic	CZ
Romania	RO
Sweden	SE
Post office	PO
Postal service office	PSO
Postal establishment	PE
Exterior postal counter	EPC
Partnership shop	PS