HELLENIC TELECOMMUNICATIONS & POST COMMISSION

Greek Postal Market

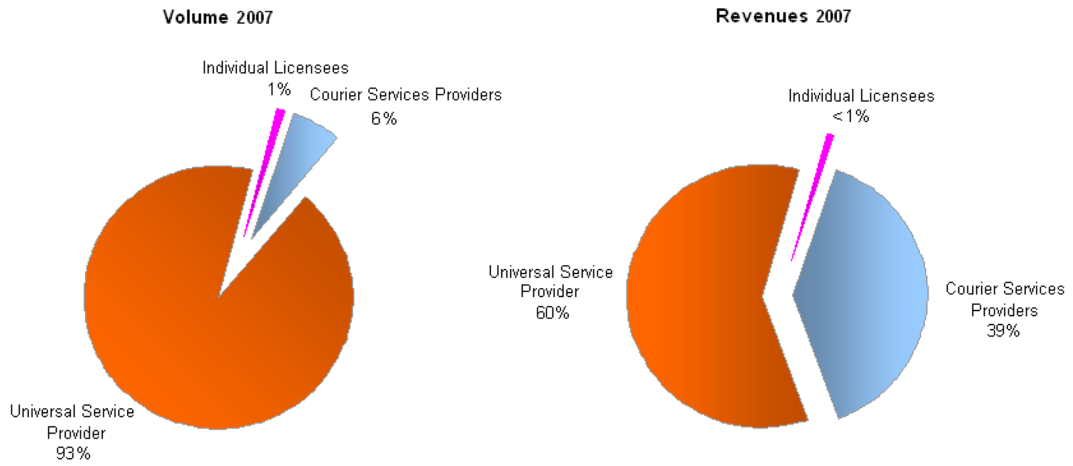
Data and market tendencies for 2007

EXECUTIVE SUMMARY

The Greek Postal Market consists of two main sections:

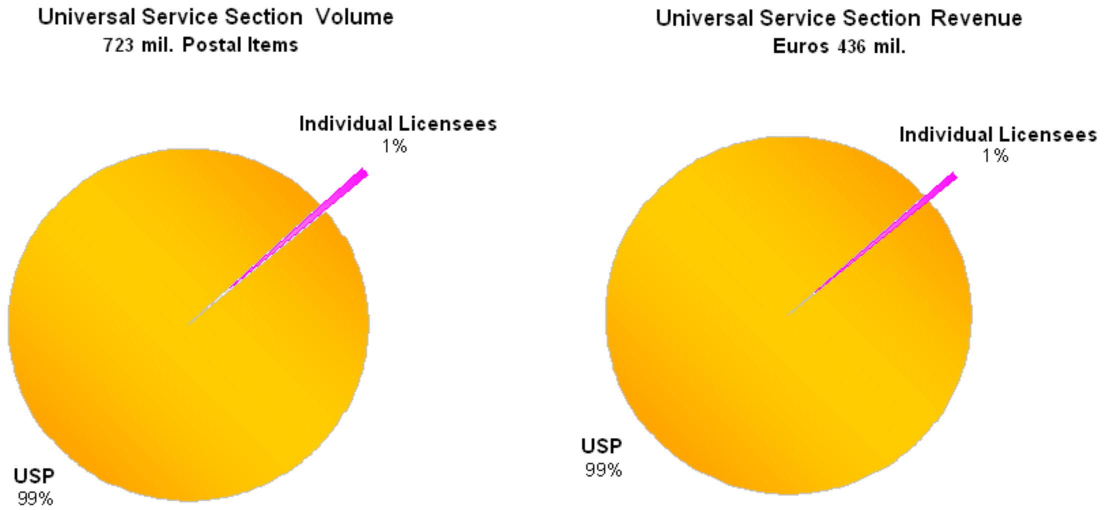
– the universal service area, comprising the Universal Service Provider (USP) and undertakings holding individual licenses, and
– the Courier Services area (undertakings with a general authorization).

Market Shares of Greek Postal Market (Volume -Revenue), 2007



POSTAL MARKET CONDITIONS

In the universal service area, the Universal Service Provider (USP-ELTA) obtains the largest market share of the Greek Postal Market for 2007, a market share of 99% in terms of revenue and volume. Competition in this area is very limited and a market share of about 1% (in terms of volume and revenues) is obtained by individual licensees other than the USP.



Regarding the Courier Services area, when factors such as market shares of the postal operators, the bargaining power of customers / providers of the market, barriers to entry and other special features are examined, it is concluded that there is intense competition while there is also a high degree of concentration of market shares. During 2007, 90% of the total courier items have been handled by the 9 biggest companies while the corresponding revenues represent 91% of the total turnover of this area.

In 2007, after several years, courier undertakings seem focused in providing more customer oriented services in order to establish their market shares, while at the same time their price/cost policy does not seem to be their first priority. It is assumed that this is an indication of the market growth and a characteristic of a market which evolves in a competitive environment. An increase in prices that happened during 2007, is mainly attributed to the pressure exercised by the increase of the transportation cost (fuel cost).

The customers of the postal operators are mainly business customers and in a lesser percent individual users. This fact signifies the need of the postal operators to adjust to specific demands/needs of postal services users by developing new customer oriented services and user friendly procedures in order to increase their market share. Indeed, the bargaining power of customers is particularly important in the Postal Market and they are able to achieve better prices, contrary to the suppliers bargaining power which is of minor importance.

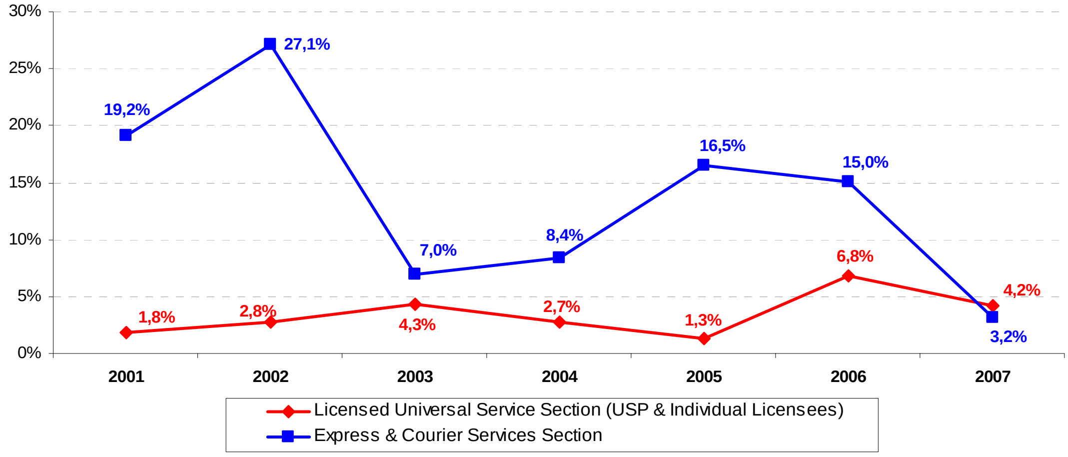
QUANTITATIVE ELEMENTS OF THE POSTAL MARKET

In 2007, the total turnover of the Greek Postal Market amounted to 717 million euros, emanating from the handling of 770 million postal items. The Universal Service Provider carried out 93% of them, receiving 60% of the Market's total revenues, while operators of the Courier Sector handled 6% of the items and collected 39% of the total revenues. Undertakings holding an individual license for the Provision of Postal Services handled 1% of the items and collected less than 1% of the total revenues. The above mentioned features of the Market signify a large degree of fluctuation in the prices of the offered services. This is anticipated as in the Courier services area, the services provided include a high percentage of added value due to the promptness and speed of delivering the postal items, which are also required to be monitored during all stages of the handling procedure by the Special Postal Items Track & Trace System (SPITTS)

Postal Items Volume of the Postal Market

Postal Items (% classification)	2003	2004	2005	2006	2007
Courier Services Section	31.000.000 (4,73%)	33.613.878 (4,98%)	39.156.615 (5,69%)	45.034.437 (6,10%)	46.470.205 (6,04%)
Universal Service Section:					
1) USP (ELTA)	624.417.800 (95,27%)	641.361.900 (95,02%)	649.475.889 (94,31%)	686.782.500 (92,98%)	716.220.900 (93,07%)
2) Individual Licensees	N/A	N/A	N/A	6.823.724 (0,92%)	6.824.401 (0,89%)
Total	**655.417.800 (100%)**	**674.975.778 (100%)**	**688.632.504 (100%)**	**738.640.661 (100%)**	**769.515.506 (100%)**
Annual Rate of Change (%)	4,46%	2,98%	2,02%	7,26%	4,18%

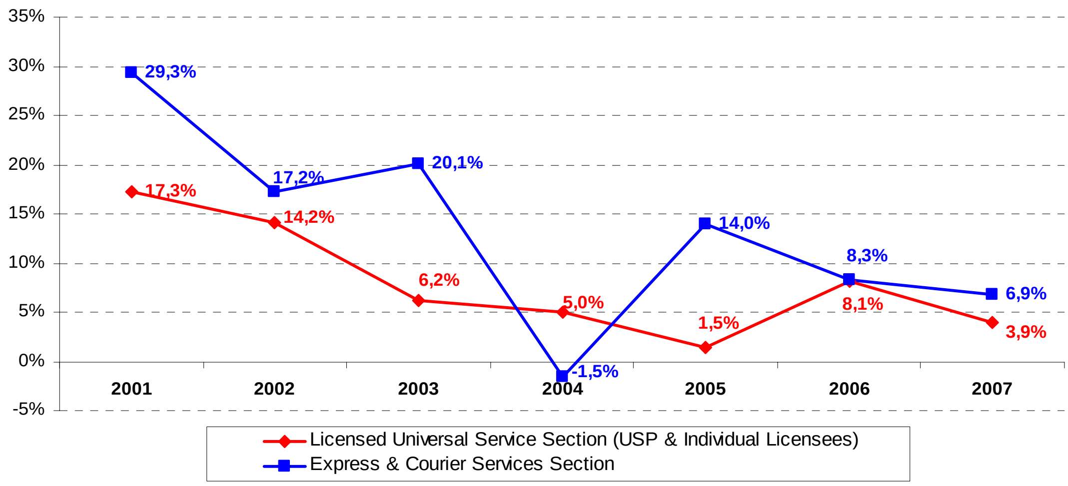
Annual Rate of Change of Postal Market's Volume



Postal Market's Revenue

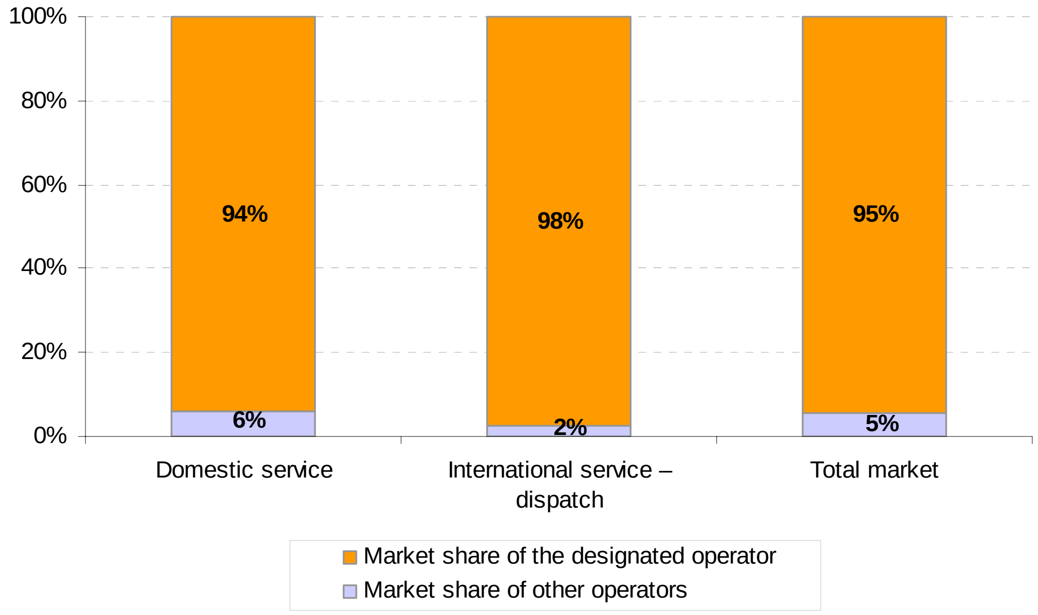
Amount in € (% classification)	2003	2004	2005	2006	2007
Courier Services Section	216.399.731 (37,29%)	213.160.626 (35,82%)	243.013.704 (38,54%)	263.270.069 (38,58%)	281.310.098 (39,24%)
Universal Service Section:					
1) USP (ELTA)	363.895.486 (62,71%)	381.994.575 (64,18%)	387.581.925 (61,46%)	416.241.268 (61,00%)	432.940.435 (60,39%)
2) Individual Licensees	N/A	N/A	N/A	2.846.748 (0,42%)	2.640.802 (0,37%)
Total	**580.295.217 (100%)**	**595.155.201 (100%)**	**630.595.629 (100%)**	**682.358.085 (100%)**	**716.891.533 (100%)**
Annual Rate of Change (%)	11,02%	2,56%	5,95%	8,21%	5,06%

Annual Rate of Change of Postal Market's Revenue

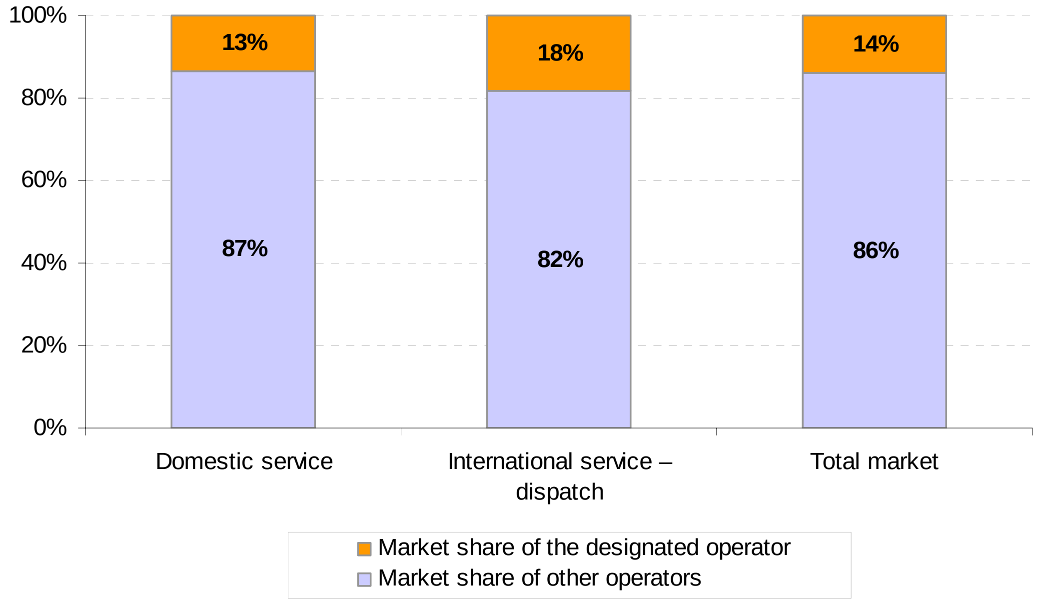


The Universal Service Provider handled about 95% of total letter post items of the Postal Market, while this percentage is significantly decreased as far as handling of parcels is concerned, as 86% of total parcels are handled by the private postal providers.

Handling of Total Volume of Letter Post Items



Handling of Total Volume of Parcels

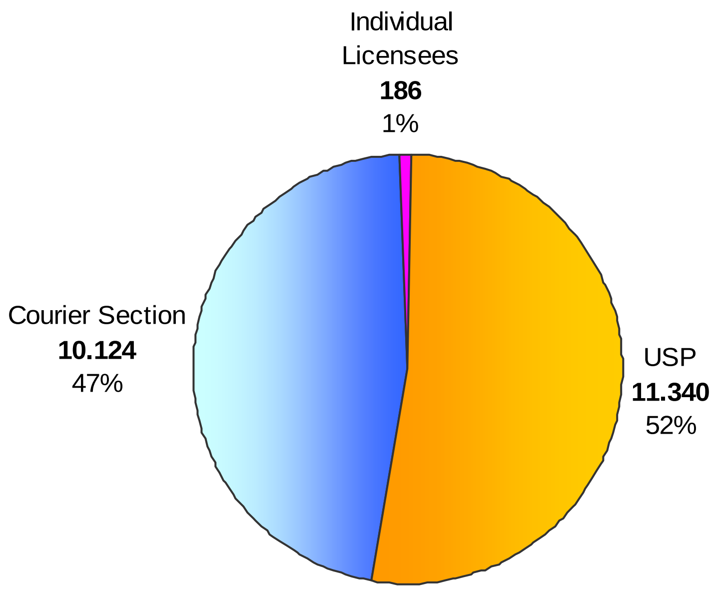


On 31st of December 2007 a total of almost 1.100 undertakings are registered in the Greek Postal Services Market, including the enterprises which are members of Postal Networks of license – holding undertakings. The number of personnel employed in these enterprises, has reached 21.650 persons, half of which are employed in the Universal Service Sector.

Postal Market Data

Number of Postal Operators	2003	2004	2005	2006	2007
Courier Services Section	**295**	**266**	**301**	**341**	**377**
Universal Service Section:					
1) USP (ELTA)	**1**	**1**	**1**	**1**	**1**
2) Individual Licensees	**3**	**3**	**5**	**5**	**5**
Total of Postal Market Operators	**303**	**270**	**307**	**347**	**383**
Postal Network Members of undertakings with General Authorization (Courier)	**1065**	**592**	**621**	**655**	**717**
Postal Network Members of undertakings holding Individual License	**-**	**-**	**-**	**-**	**29**

Greek Postal Market's Total Employees (Licensees & Network)



CONSUMER'S MATTERS

In recent years, the Greek postal market exhibits a dynamic evolution and a fierce competition which leads to the development of more and more advanced, flexible and attractive services to the consumer's benefit.

On behalf of EETT action is taken aiming at the consumer's interest. Information campaigns regarding the Postal Services are conducted on a regular basis, while EETT's key role is to ensure that postal services are provided under the terms of the Individual Agreement between the User (Consumer) and the Postal operator. Within this framework, frequent audits are carried out not only in the premises of the Universal Service Provider but also in those of other postal operators with the intention to safeguard the interests of the consumer and utilize the results of the autopsies and the inspections in order to reform the existing regulatory framework for the benefit of the consumers in case that it is deemed to be essential..

In 2007, EETT has examined 166 user's complaints concerning both the Universal Service Provider and other postal operators. According to data provided by operators, the number of problems arising between Users and Postal operators of the Courier Sector tend to decrease during the last three years, while there are no data available from the undertakings operating within the scope of Universal Service.

Statistical Data of Consumer Complaints about Courier Companies

	2005		2006		2007	
	Number of cases	Compensation Amount	Number of cases	Compensation Amount	Number of cases	Compensation Amount
Type of Problem / Complaint						
Loss	2.953	521.820€	3.325	778.802€	2.421	827.149€
Damage	965	106.792€	862	174.156€	1.002	169.851€
Delay	1.740	70.073€	1.446	98.712€	1.774	101.938€
TOTAL	**5.658**	**698.685€**	**5.633**	**1.051.669€**	**5.197**	**1.098.939€**
Redress Procedure						
Settlement	5.098	680.518€	5.499	993.401€	5.045	1.073.915€
Settlement through Disputes Resolution Committee	87	9.699€	131	28.027€	141	16.577€
Settlement through the NRA (EETT)	1	0	0	0	10	2.012€
Settlement through Court of Justice	58	5.806€	1	23.362€	1	5.715€

Contact Information:

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