

Financial Results

Quarter 3 of Fiscal Year 2013

August 27, 2013

Joseph Corbett
Chief Financial Officer & Executive Vice President

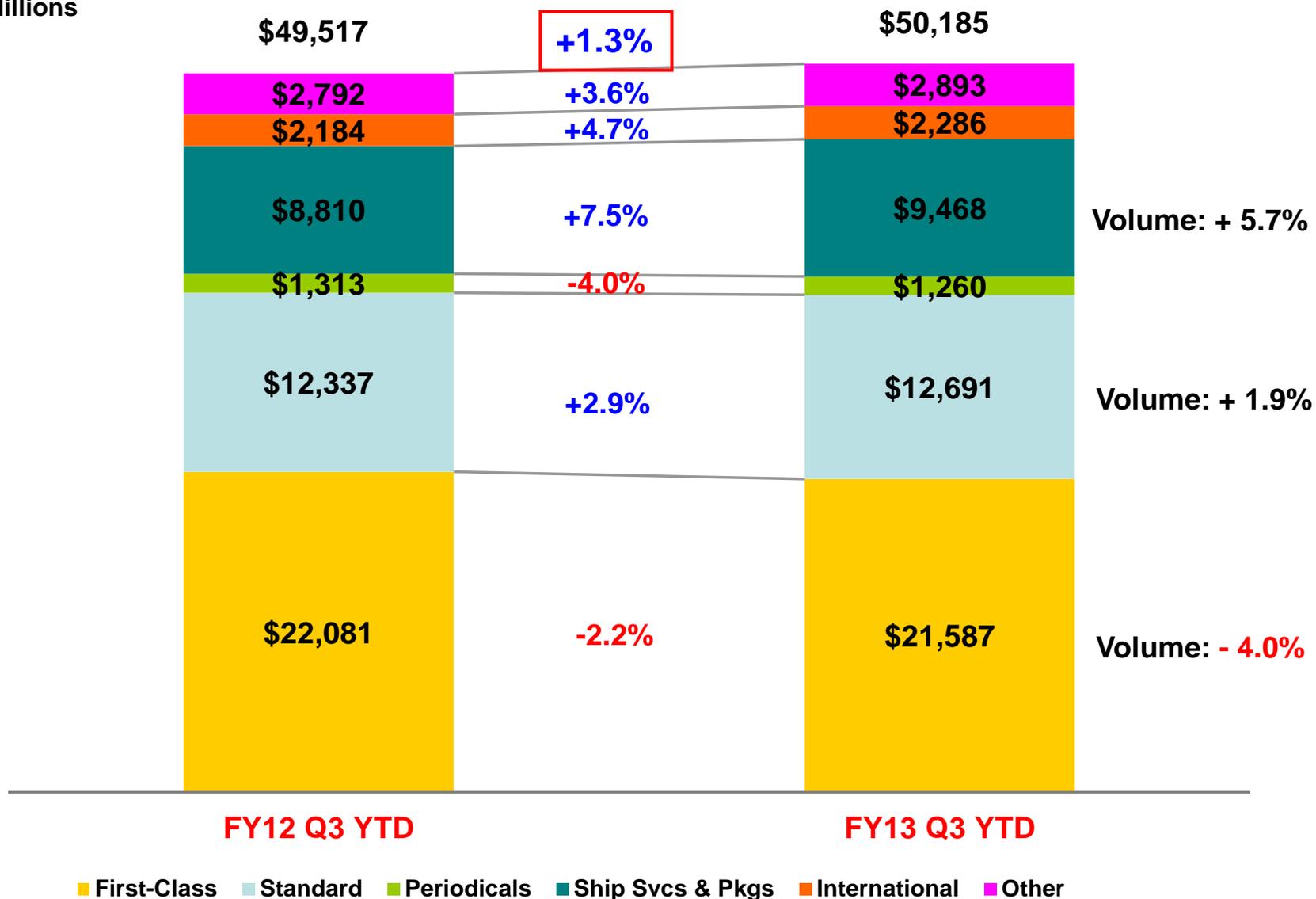
Quarter 3 (3 Months)	FY	FY
(Billions)	2013	2012
Revenue	\$16.2	\$15.6
Expenses *	16.3	16.6
Separation Incentive Costs	-	-
Operating Income (Loss)*	(0.1)	(1.0)
Retiree Health Benefits Pre-Funding	(1.4)	(3.0)
Workers' Comp. Fair Value Adj.	0.9	(0.9)
Workers' Comp. Other Non-Cash Adj.	(0.1)	(0.3)
Net Income (Loss)	<u>(\$0.7)</u>	<u>(\$5.2)</u>
Volume (pieces)	37.9	38.3

* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.

Quarter 3 YTD (9 Months)	FY	FY
(Billions)	2013	2012
Revenue	\$50.2	\$49.5
Expenses *	50.3	50.7
Separation Incentive Costs	<u>0.3</u>	<u>-</u>
Operating Income (Loss)*	(0.4)	(1.2)
Retiree Health Benefits Pre-Funding	(4.2)	(9.1)
Workers' Comp. Fair Value Adj.	1.4	(0.4)
Workers' Comp. Other Non-Cash Adj.	<u>(0.7)</u>	<u>(0.9)</u>
Net Income (Loss)	<u>(\$3.9)</u>	<u>(\$11.6)</u>
Liquidity Days (of Oper. Cash)	11	11
Volume (pieces)	120.2	121.2

* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.

\$ Millions



Quarter 3 YTD - 9 Months	FY	FY
(Billions)	2013	2012
Revenue	\$50.2	\$49.5
Expenses *	50.3	50.7
Separation Incentive Costs	<u>0.3</u>	<u>-</u>
Operating Income (Loss)*	(0.4)	(1.2)
Retiree Health Benefits Pre-Funding	(4.2)	(9.1)
Workers' Comp. Fair Value Adj.	1.4	(0.4)
Workers' Comp. Other Non-Cash Adj.	<u>(0.7)</u>	<u>(0.9)</u>
Net Income (Loss)	<u>(\$3.9)</u>	<u>(\$11.6)</u>
Liquidity Days (of Oper. Cash)	11	11
Volume (pieces)	120.2	121.2

* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.

Quarter 3 YTD (9 Months)	FY	FY
(Billions)	2013	2012
Compensation	\$ 26.7	\$ 27.3
Benefits	11.4	11.5
Transportation	5.1	5.1
Depreciation	1.5	1.6
Supplies & Services	1.8	1.6
Rent, Utilities & Other	3.8	3.6
Operating Expenses *	\$ 50.3	\$ 50.7
Workhours (Millions)	836	847

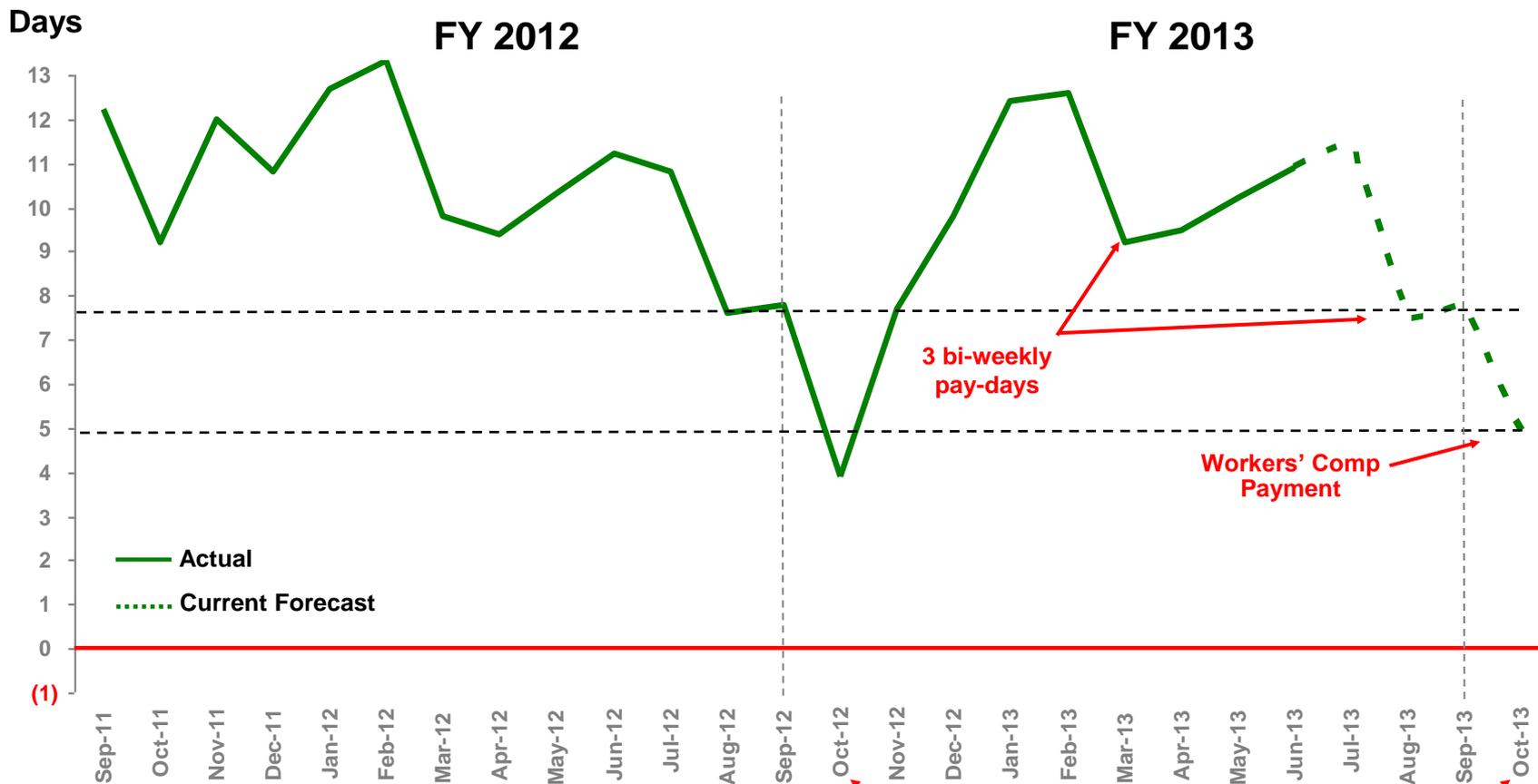
* Excludes RHB pre-funding and non-cash adjustments to workers' compensation liabilities and separation costs.

Quarter 3 YTD (9 Months)	FY	FY
(Billions)	2013	2012
Revenue	\$50.2	\$49.5
Expenses *	50.3	50.7
Separation Incentive Costs	0.3	-
Operating Income (Loss)*	(0.4)	(1.2)
Retiree Health Benefits Pre-Funding	(4.2)	(9.1)
Workers' Comp. Fair Value Adj.	1.4	(0.4)
Workers' Comp. Other Non-Cash Adj.	(0.7)	(0.9)
Net Income (Loss)	<u>(\$3.9)</u>	<u>(\$11.6)</u>
Liquidity Days (of Oper. Cash)	11	11
Volume (pieces)	120.2	121.2

* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.

2012 & 2013 Liquidity Days of Operating Cash on Hand

No Retiree Health Benefits Pre-Funding included (\$11.1B in 2012 and \$5.6 B in 2013)



(1)

- Liquidity includes unrestricted cash plus available borrowing, up to \$15B limit
- Days of Operating Cash – based on average operating costs disbursed per day ~\$265M

Mid-October Balances shown - Low points after annual Workers' Compensation payments to DOL