

# **Financial Results**

## **Quarter 3 of Fiscal Year 2015**

**MTAC**  
**August 11, 2015**

- **Liabilities exceed assets by approximately \$48 billion**
- **The USPS has only 34 cents of assets to cover each dollar of its liabilities**

ASSETS		LIABILITIES	
Unrestricted Cash	\$ 7.1B	Retiree Health Benefits	\$26.7B
Buildings & Equipment, net of depreciation	\$15.9B	Workers' Compensation	\$17.9B
Other Assets	\$ 1.7B	Debt	\$15.0B
		Accrued Compensation, benefits, and leave	\$ 4.5B
		Deferred Revenue	\$ 3.2B
		Other	\$ 5.5B
<b>Total Assets</b>	<b>\$24.7B</b>	<b>Total Liabilities <sup>1</sup></b>	<b>\$72.8B</b>

<sup>1</sup> Under multi-employer accounting rules, there are approximately \$42B in obligations not shown on the balance sheet.

➤ Significant profits over years and legislation are needed to recover.

<b>Quarter 3 (3 Months)</b> <b>(Billions)</b>	<b>FY 2015</b>	<b>FY 2014</b>
<b>Revenue</b> <sup>1</sup>	<b>\$16.6</b>	<b>\$16.5</b>
<b>Expenses</b> <sup>1, 2</sup>	<b><u>16.8</u></b>	<b><u>16.5</u></b>
<b>Controllable Income (Loss)</b> <sup>1, 2</sup>	<b>(0.2)</b>	<b>-</b>
<b>Retiree Health Benefits Pre-Funding</b>	<b>(1.4)</b>	<b>(1.4)</b>
<b>Workers' Comp. Fair Value Adj.</b>	<b>0.9</b>	<b>(0.4)</b>
<b>Workers' Comp. Other Non-Cash Adj.</b>	<b><u>0.1</u></b>	<b><u>(0.2)</u></b>
<b>Net Income (Loss)</b> <sup>1</sup>	<b><u>(\$0.6)</u></b>	<b><u>(\$2.0)</u></b>
<b>Volume (pieces)</b>	<b>36.8</b>	<b>37.5</b>

1 - Retail revenue days and delivery days were even compared to SPLY.

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

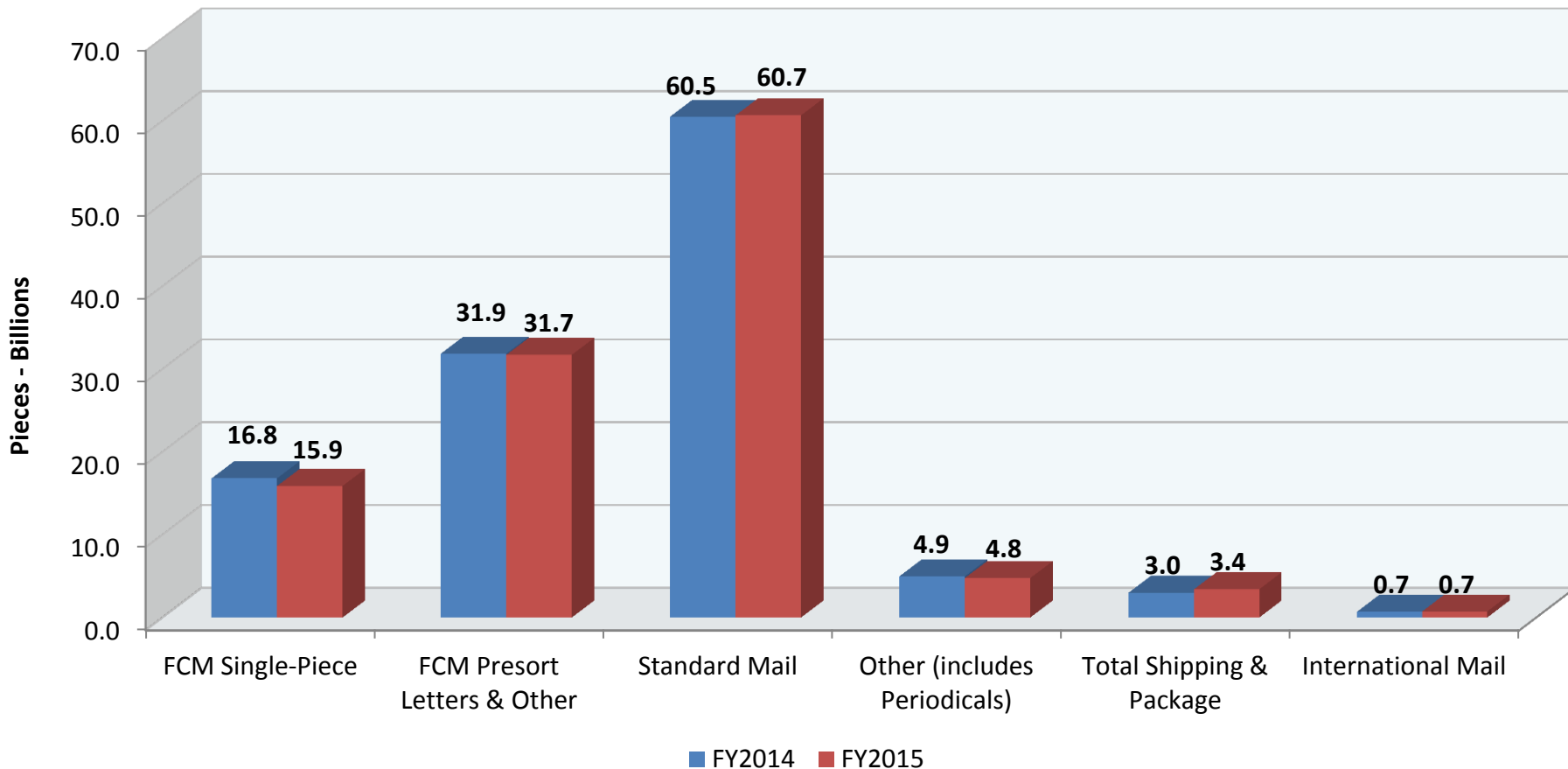
<b>June YTD (9 Months)</b>	<b>FY</b>	<b>FY</b>
<b>(Billions)</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b> <sup>1</sup>	<b>\$52.3</b>	<b>\$51.2</b>
<b>Expenses</b> <sup>1, 2</sup>	<b><u>51.1</u></b>	<b><u>50.2</u></b>
<b>Controllable Income (Loss)</b> <sup>1, 2</sup>	<b>1.2</b>	<b>1.0</b>
Retiree Health Benefits Pre-Funding	<b>(4.3)</b>	<b>(4.3)</b>
Workers' Comp. Fair Value Adj.	<b>(0.2)</b>	<b>(0.4)</b>
Workers' Comp. Other Non-Cash Adj.	<b><u>0.5</u></b>	<b><u>(0.5)</u></b>
<b>Net Income (Loss)</b> <sup>1</sup>	<b><u>(\$2.8)</u></b>	<b><u>(\$4.2)</u></b>
<b>Liquidity Days (of oper. cash)</b>	<b>26</b>	<b>19</b>
<b>Volume (Pieces)</b>	<b>117</b>	<b>118</b>

1 -Retail revenue days and delivery days were even compared to SPLY.

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

**FY2014**  
**117.8**

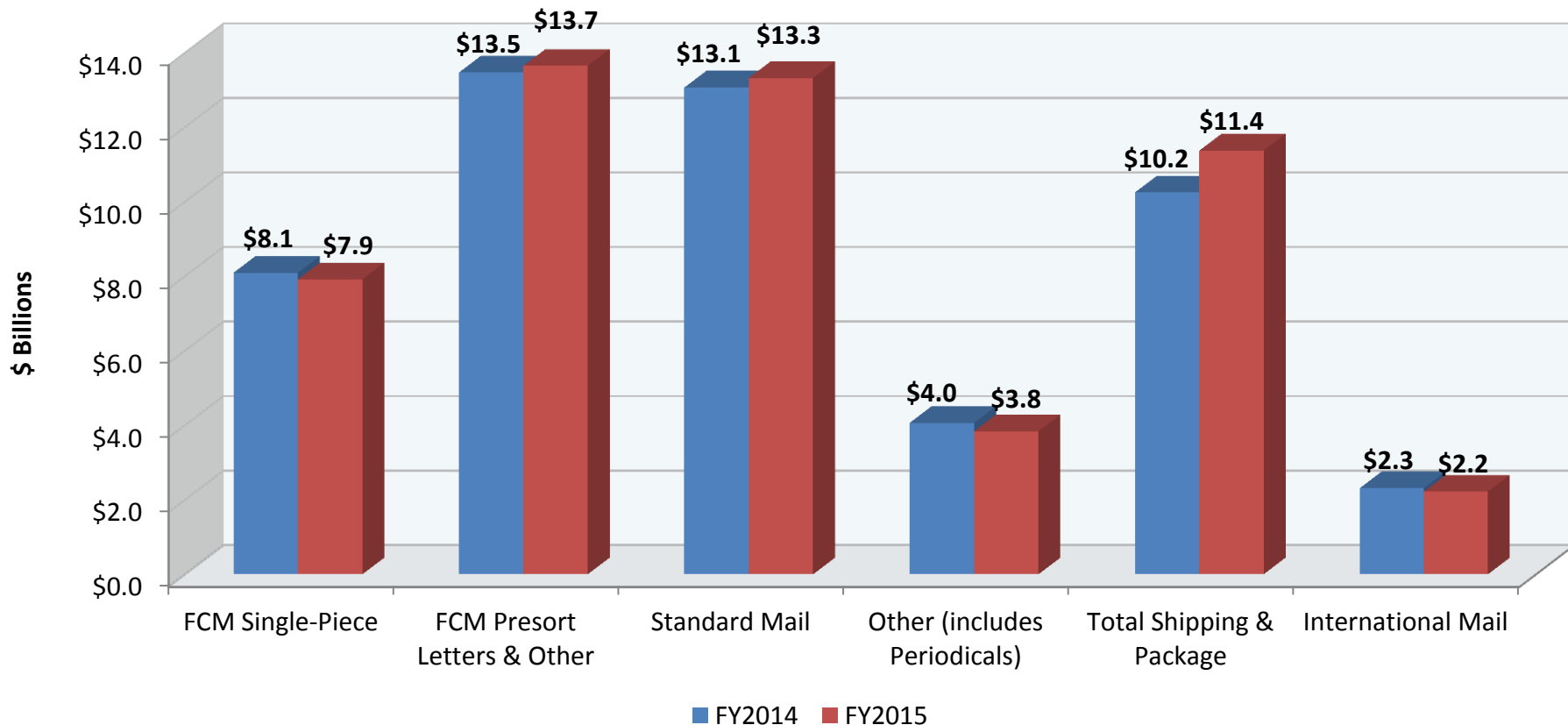
**FY2015**  
**117.2**



➤ June YTD FY2015 has the same number of weekdays, Saturdays, & Sundays as compared to YTD FY2014

**FY2014**  
**\$51.2**

**FY2015**  
**\$52.3**



➤ June YTD FY2015 has the same number of weekdays, Saturdays, & Sundays as compared to YTD FY2014

<b>June YTD (9 Months)</b>	<b>FY</b>	<b>FY</b>
<b>(Billions)</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b> <sup>1</sup>	<b>\$52.3</b>	<b>\$51.2</b>
<b>Expenses</b> <sup>1, 2</sup>	<b><u>51.1</u></b>	<b><u>50.2</u></b>
<b>Controllable Income (Loss)</b> <sup>1, 2</sup>	<b>1.2</b>	<b>1.0</b>
Retiree Health Benefits Pre-Funding	<b>(4.3)</b>	<b>(4.3)</b>
Workers' Comp. Fair Value Adj.	<b>(0.2)</b>	<b>(0.4)</b>
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1 -Retail revenue days and delivery days were even compared to SPLY.

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

<b>June YTD (9 Months)</b> (Billions)	<b>FY 2015</b>	<b>FY 2014</b>
<b>Compensation &amp; Benefits<sup>1,2</sup></b>	<b>\$39.1</b>	<b>\$37.9</b>
<b>Transportation</b>	<b>5.0</b>	<b>5.0</b>
<b>Depreciation</b>	<b>1.3</b>	<b>1.4</b>
<b>Supplies &amp; Services</b>	<b>2.0</b>	<b>1.9</b>
<b>Rent, Utilities &amp; Other</b>	<b>3.7</b>	<b>4.0</b>
<b>Controllable Expenses<sup>1,2</sup></b>	<b>\$51.1</b>	<b>\$50.2</b>
<b>Workhours (Millions)<sup>1</sup></b>	<b>849</b>	<b>834</b>

1 -Delivery days were even compared to SPLY.

2 -Excludes RHB pre-funding and non-cash adjustments to workers' compensation liabilities.



<b>June YTD (9 Months)</b>	<b>FY</b>	<b>FY</b>
<b>(Billions)</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b> <sup>1</sup>	<b>\$52.3</b>	<b>\$51.2</b>
<b>Expenses</b> <sup>1, 2</sup>	<b><u>51.1</u></b>	<b><u>50.2</u></b>
<b>Controllable Income (Loss)</b> <sup>1, 2</sup>	<b>1.2</b>	<b>1.0</b>
Retiree Health Benefits Pre-Funding	<b>(4.3)</b>	<b>(4.3)</b>
Workers' Comp. Fair Value Adj.	<b>(0.2)</b>	<b>(0.4)</b>
Workers' Comp. Other Non-Cash Adj.	<b><u>0.5</u></b>	<b><u>(0.5)</u></b>
<b>Net Income (Loss)</b> <sup>1</sup>	<b><u>(\$2.8)</u></b>	<b><u>(\$4.2)</u></b>
<b>Liquidity Days (of oper. cash)</b>	<b>26</b>	<b>19</b>
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