

Financial Results

Quarter 2 of FY2016

Media Call

May 10, 2016



Q2 Financial Results

(Quarter Ended March 31, 2016)

Quarter 2 (3 Months) (Billions)	FY 2016	FY 2015
Revenue (Excluding Temporary Exigent Surcharge)	\$ 17.3	\$ 16.4
Temporary Exigent Surcharge ¹	<u>0.5</u>	<u>0.5</u>
Total Revenue	17.8	16.9
Controllable Expenses ²	<u>17.2</u>	<u>16.6</u>
Controllable Income (Loss) ^{2, 3}	0.6	0.3
Retiree Health Benefits Pre-Funding	(1.4)	(1.4)
FERS Unfunded Liability Amortization	(0.1)	-
Workers' Comp. Fair Value Adj.	(0.9)	(0.4)
Workers' Comp. Other Non-Cash Adj.	<u>(0.2)</u>	<u>-</u>
Net Income (Loss)	\$ (2.0)	\$ (1.5)
Volume (Pieces) ³	38.3	37.8
Workhours (Millions)	285	276

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

3 - Q2, FY2016, has one more retail and delivery day as compared to FY2015.



March YTD (6 Months) (Billions)	FY 2016	FY 2015
Revenue (Excluding Temporary Exigent Surcharge)	\$ 36.0	\$ 34.6
Temporary Exigent Surcharge ¹	<u>1.1</u>	<u>1.1</u>
Total Revenue	37.1	35.7
Controllable Expenses ²	<u>35.3</u>	<u>34.3</u>
Controllable Income (Loss) ^{2, 3}	1.8	1.4
Retiree Health Benefits Pre-Funding	(2.9)	(2.8)
FERS Unfunded Liability Amortization	(0.1)	-
Workers' Comp. Fair Value Adj.	(0.5)	(1.2)
Workers' Comp. Other Non-Cash Adj.	<u>-</u>	<u>0.4</u>
Net Income (Loss)	\$ (1.7)	\$ (2.2)
Volume (Pieces) ³	80.2	80.5
Workhours (Millions)	587	569

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

3 - March YTD FY2016 has one more retail and delivery day as compared to FY2015.



Volume: FY2016 March YTD vs. SPLY

FY2015
80.5B

↓ 0.3B

FY2016
80.2B

**FCM
Single-Piece**



(2.3)%



**FCM
Presort Letters
& Other**



(0.1)%



**Standard
Mail**



(0.8)%



**Other
(incl. Periodicals)**



(3.4)%



**Total Shipping
& Package**



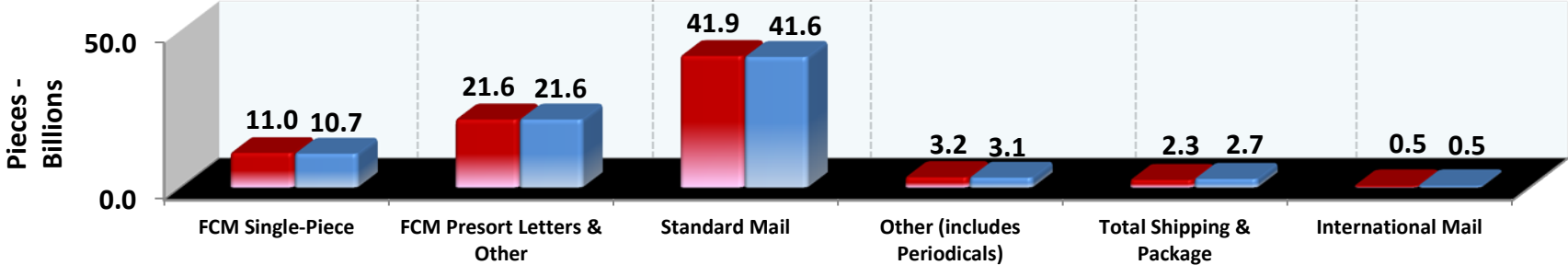
14.0%



**International
Mail**



8.4%



FY2016 March YTD has one more retail and delivery day as compared to FY2015.

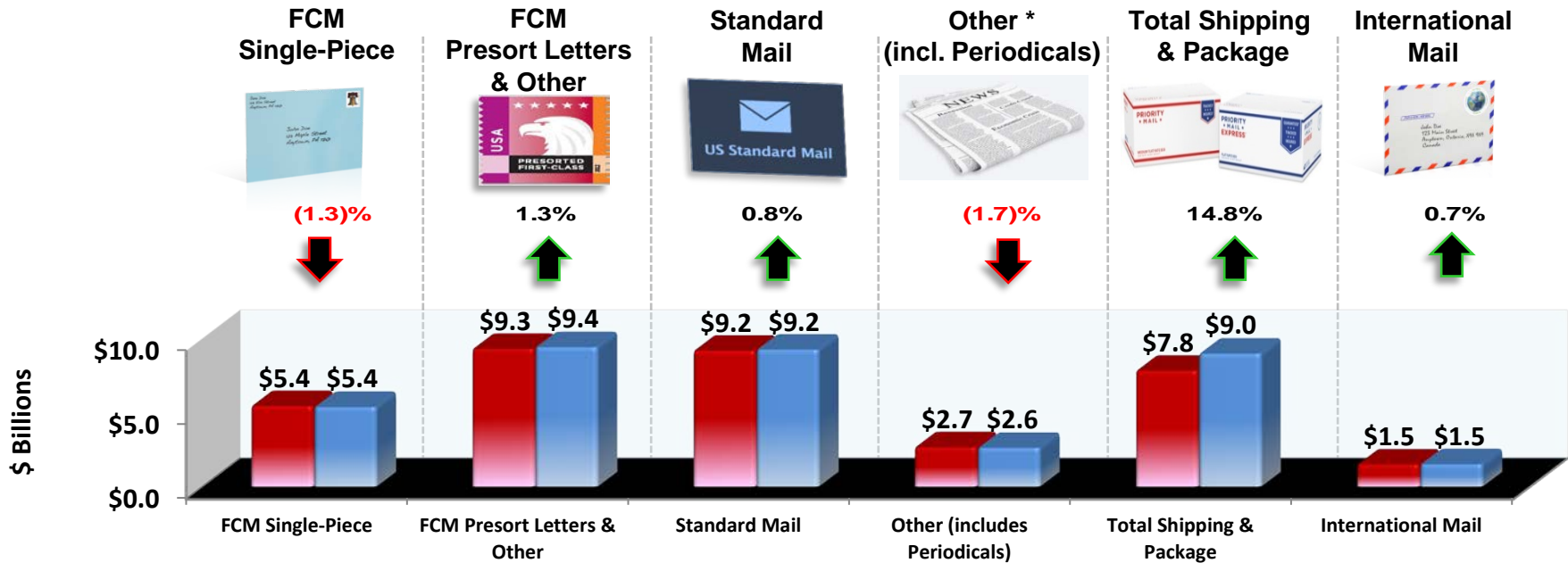


Revenue including Exigent Surcharge: FY2016 March YTD vs. SPLY

FY2015
\$35.7B

↑ **\$1.4B**

FY2016
\$37.1B



FY2016 March YTD has one more retail and delivery day as compared to FY2015.

* FY2015 excludes a one time non-recurring accounting adjustment



March YTD Controllable Expenses

March YTD (6 Months) (Billions)	FY 2016	FY 2015
Compensation & Benefits^{1,2}	\$26.9	\$26.2
Transportation	3.6	3.4
Depreciation	0.9	0.9
Supplies & Services	1.4	1.3
Rent, Utilities & Other	<u>2.5</u>	<u>2.5</u>
Controllable Expenses^{1,2}	\$35.3	\$34.3
Workhours (Millions)	587	569

1 - March YTD FY2016 has one more retail and delivery day as compared to FY2015.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.



Questions ?

**Please Press *1 On Your
Telephone Keypad**



Complete Financial results are in the Form 10-Q:
<http://about.usps.com/who-we-are/financials/welcome.htm>

Additional questions can be emailed to:
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