

Financial Results

Quarter 2 of FY2017

Media Call

Qtr 2 (3 Months) (Billions)	FY 2017	FY 2016
Revenue (Excluding Temporary Exigent Surcharge)	\$ 17.3	\$ 17.3
Temporary Exigent Surcharge ¹	<u>-</u>	<u>0.5</u>
Total Revenue	17.3	17.8
Controllable Expenses ^{2, 3}	<u>17.3</u>	<u>17.2</u>
Controllable Income (Loss) ^{1, 2, 3}	-	0.6
Retiree Health Benefits Amortization	(0.2)	-
Retiree Health Benefits Prefunding	-	(1.4)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj	-	(1.1)
FERS Unfunded Liabilities Amortization	(0.1)	(0.1)
CSRS Unfunded Liabilities Amortization	<u>(0.3)</u>	<u>-</u>
Net Income (Loss) ³	<u>\$ (0.6)</u>	<u>\$ (2.0)</u>

1 - Temporary exigent surcharge expired April 10, 2016.

2 - Before RHB pre-funding/amortization, non-cash adjustments to workers' compensation liabilities and FERS and CSRS unfunded liabilities amortization, which are excluded from controllable expenses.

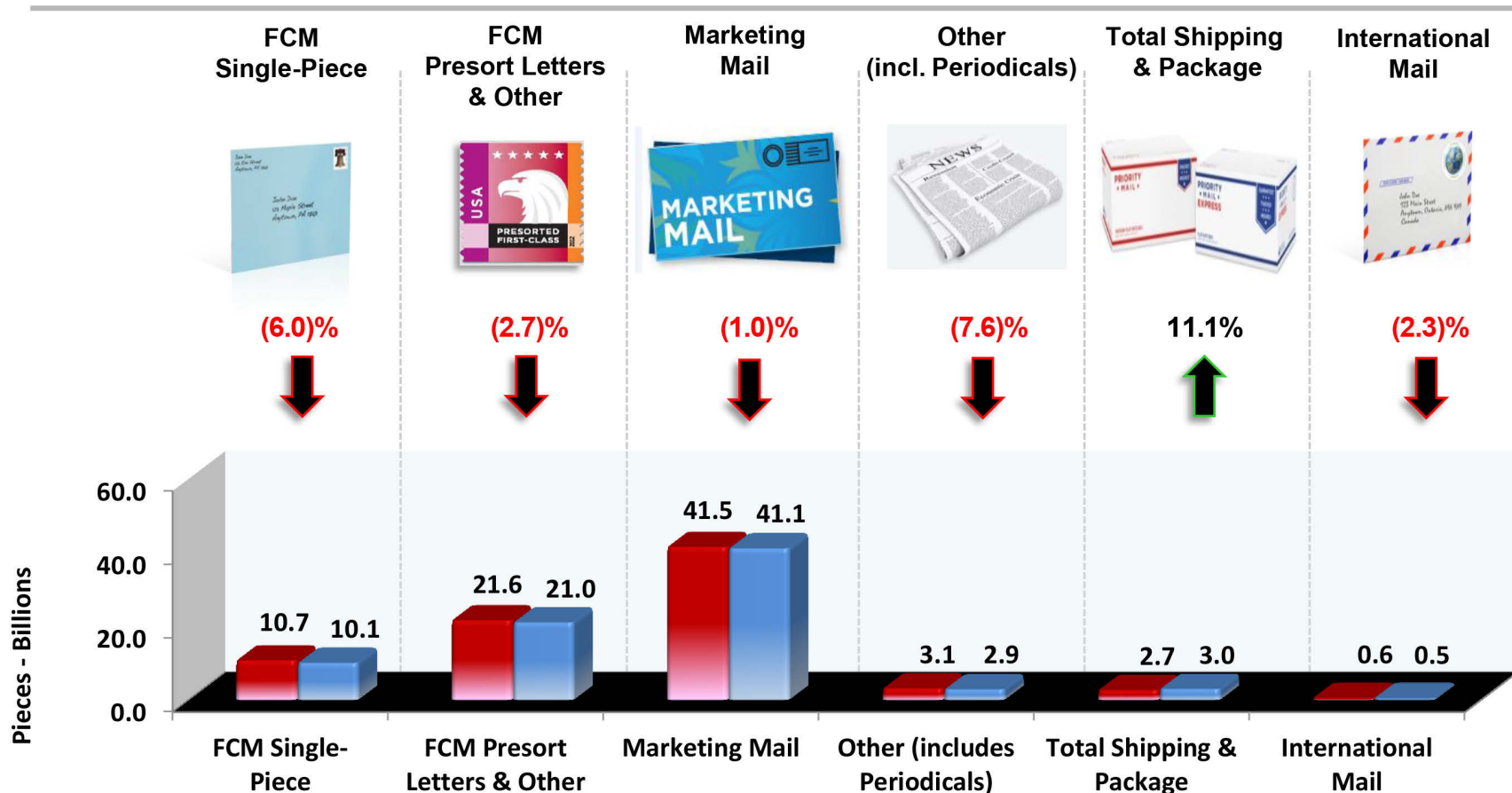
3 - Quarter 2 has one less delivery day and one more retail day compared to SPLY.

March YTD (6 Months) (Billions)	FY 2017	FY 2016
Revenue (Excluding Temporary Exigent Surcharge)	\$ 36.5	\$ 36.0
Temporary Exigent Surcharge ¹	<u>-</u>	<u>1.1</u>
Total Revenue	36.5	37.1
Controllable Expenses ^{2, 3}	<u>36.0</u>	<u>35.3</u>
Controllable Income (Loss) ^{1, 2, 3}	0.5	1.8
Retiree Health Benefits Amortization	(0.4)	-
Retiree Health Benefits Prefunding	-	(2.9)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj	1.5	(0.5)
FERS Unfunded Liabilities Amortization	(0.1)	(0.1)
CSRS Unfunded Liabilities Amortization	<u>(0.6)</u>	<u>-</u>
Net Income (Loss) ³	<u>\$ 0.9</u>	<u>\$ (1.7)</u>

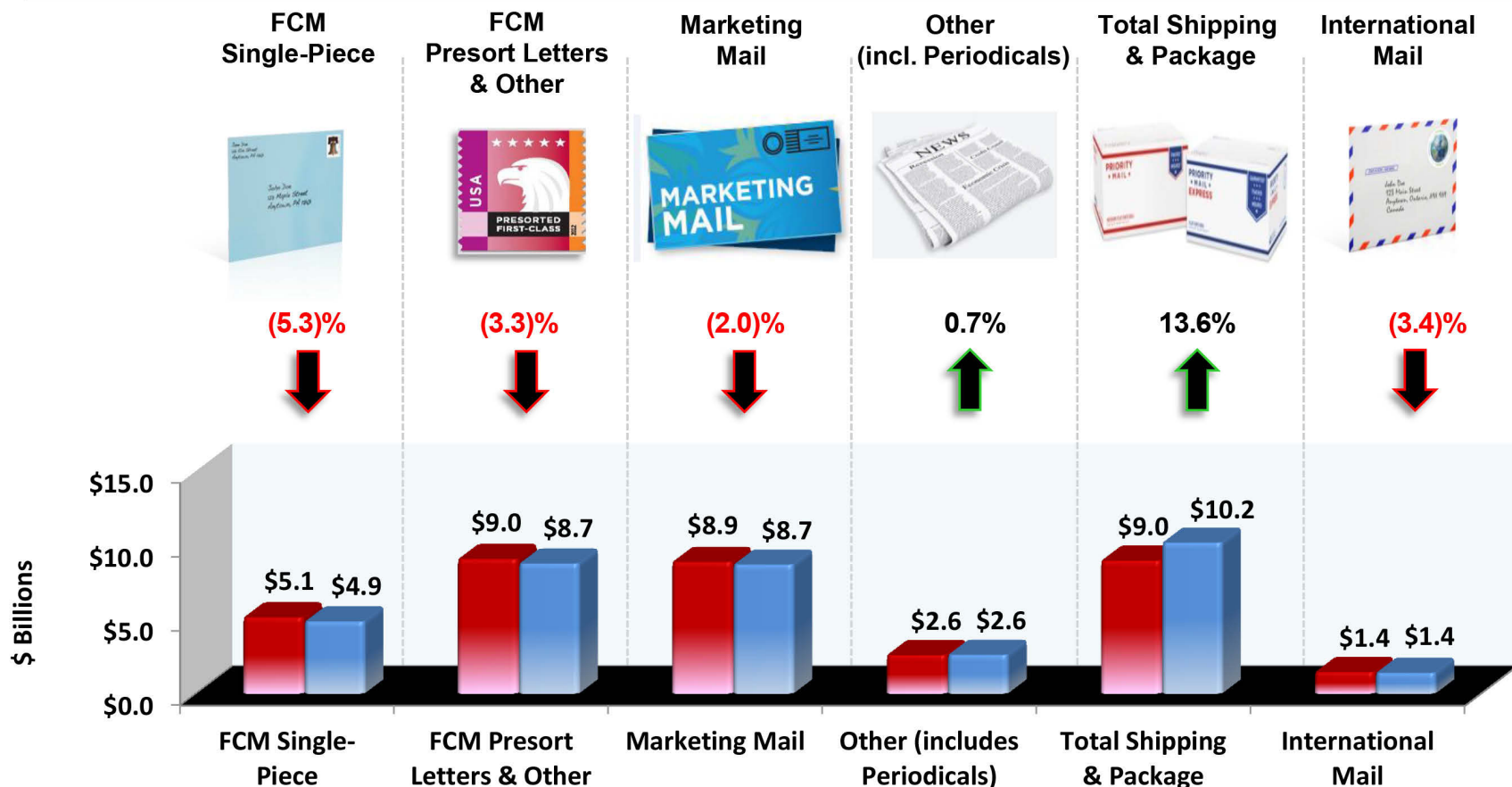
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March YTD (6 Months) (Billions)	FY 2017	FY 2016
Compensation & Benefits^{1, 2}	\$27.2	\$26.9
Transportation	3.8	3.6
Depreciation	0.8	0.9
Supplies & Services	1.5	1.4
Rent, Utilities & Other	<u>2.7</u>	<u>2.5</u>
Controllable Expenses	\$36.0	\$35.3
Workhours (Millions)¹	595.6	586.5

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Questions ?

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

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

Additional questions can be emailed to:
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