

FOR IMMEDIATE RELEASE
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U.S. Postal Service Reports End of Fiscal Year Results

- *Net Loss of \$5.1 Billion; Controllable Income of \$1.2 Billion*
- *Revenue of \$68.9 Billion for Fiscal Year 2015, Up 1.6 percent*
- *Shipping and Packages Services Revenues Up 11.4 percent*

WASHINGTON -- The U.S. Postal Service reported a net loss of \$5.1 billion for fiscal year 2015 (October 1, 2014 - September 30, 2015). The net loss is largely due to certain statutorily mandated payments over which the Postal Service has no control. Notwithstanding the loss, total revenue was \$68.9 billion for the year, an increase of approximately \$1.1 billion from 2014.

“We achieved controllable income in excess of \$1 billion for the second consecutive fiscal year giving us some limited flexibility to make critical investments in the future of the organization,” said Postmaster General and CEO Megan J. Brennan. “To maintain this success we will need to continue our efforts to grow the business and drive operational efficiencies. However, we will also need the enactment of legislation that makes our retiree health benefit system affordable and that provides increased pricing and product flexibility.”

Controllable income for 2015 was \$1.2 billion compared to \$1.4 billion last year. Controllable income is defined as net loss excluding expenses related to the mandated prefunding of retirement health benefits, actuarial revaluation of retirement liabilities and non-cash workers’ compensation adjustments, which are factors largely outside of management’s control.

However, despite the year-over-year improvement in revenue and a second year of controllable income in excess of \$1 billion, the Postal Service continues to operate under substantial financial pressure which demonstrates the need for legislative reform. Large net losses continue, and controllable operating expenses increased \$1.3 billion from last year. This was the result of a combination of factors, including higher compensation costs attributable to increased benefits expenses and additional work hours partly associated with growth in the more labor-intensive shipping and package business.

“Adding to the financial pressures that the Postal Service will face in the short term is the fact that the exigent surcharge authorized by the Postal Regulatory Commission in 2014 will need to be rolled back in approximately April of 2016,” said Chief Financial Officer and Executive Vice President Joseph Corbett. “This surcharge has provided an additional estimated \$3.5 billion in revenue since its inception, and will provide a total of \$4.6 billion in additional revenue at the time when the commission will require us to eliminate the surcharge.”

Selected 2015 Results of Operations Compared to 2014

- Total mail volume of 154.2 billion pieces from 155.5 billion pieces in 2014.
 - Shipping and Packages volume increased 14.1 percent.
 - First-Class Mail and Standard Mail volume decreased by 2.2 percent and 0.3 percent,

respectively.

- Revenue of \$68.9 billion increased 1.6 percent from \$67.8 billion. Excluding the exigent surcharge, revenue was an estimated \$66.8 billion, an increase of 0.6 percent from \$66.4 billion.
- Operating expenses of \$73.8 billion increased by \$648 million or 0.9 percent.
 - Controllable operating expenses of \$67.6 billion increased by \$1.3 billion or 1.9 percent.
 - Non-Controllable operating expenses of \$6.3 billion decreased by \$617 million or 9 percent.
- The resulting net loss for the fiscal year was \$5.1 billion, a reduction of \$448 million compared to the net loss of \$5.5 billion for 2014.

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

Financial Briefing

Postmaster General & CEO Megan J. Brennan and Chief Financial Officer and Executive Vice President Joseph Corbett will host a telephone/Web conference call to discuss the financial results in more detail. The call will begin at 11:00 a.m. on November 13, 2015 ET and is open to the news media and all other interested parties.

How to Participate:

Important Notice: *To ensure your computer is set up to join the event, click on the link www.webex.com/jp/jointest/*

US/Canada Attendee Dial-in: (855) 293-5496
Conference ID: 63003141

Attendee Direct URL:

<https://usps.webex.com/usps/onstage/g.php?MTID=ed5a1d8da0fa75a16738989ec0979ae0c>

If you cannot join using the direct link above, please use the alternate logins below:

Alternate URL: <https://usps.webex.com>

Event Number: 999 417 786

The briefing will also be available on live audio webcast (listen only) at:

<http://about.usps.com/news/electronic-press-kits/cfo/welcome.htm>.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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