



**UNITED STATES  
POSTAL SERVICE**

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# **FINANCIAL PERFORMANCE QUARTER 3, FY 2005**

**Board of Governors Meeting  
August 2, 2005**

**Richard J. Strasser, Jr.  
Chief Financial Officer &  
Executive Vice President**

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# **FINANCIAL PERFORMANCE – PQ 3**

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## **Agenda**

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- **Financial Summary**
  - **Revenue and Volume Trends**
  - **Expense and Productivity**
  - **Quarter 4 Outlook**
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## **FINANCIAL PERFORMANCE – PQ 3**

**Summary: PQ 3 (April 1 – June 30, 2005)**

- Revenue/Volume decline in April
  - Slight revenue/volume growth in May and June
  - Increased expenses due to inflation, primarily fuel
  - Net loss
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# **FINANCIAL PERFORMANCE – PQ 3**

## **Quarter 3 – Summary Outlook**

	<b><u>Plan/Budget</u></b>	<b><u>Outlook</u></b>	<b><u>Results</u></b>
<b>Volume</b>	<b>50.3B</b>	<b>Favorable</b>	<b>50.9B</b>
<b>Revenue</b>	<b>\$16.8B</b>	<b>Favorable</b>	<b>\$16.9B</b>
<b>Expenses</b>	<b>\$17.0B</b>	<b>Favorable</b>	<b>\$17.1B</b>
<b>Net Loss</b>	<b>- \$ .2B</b>	<b>Favorable</b>	<b>- \$ .2B</b>



# **FINANCIAL PERFORMANCE – PQ 3**

**FY 2005 – Qtr 3 (April 1 – June 30)**

## **Income Statement**

	<b><u>FY 2005</u></b>	<b><u>FY 2004</u></b>	<b><u>Chg</u></b>	<b><u>%Chg</u></b>
<b>Revenue</b>	<b>\$16,875</b>	<b>\$16,599</b>	<b>+\$276</b>	<b>+1.7</b>
<b>Expense</b>	<b><u>17,115</u></b>	<b><u>16,340</u></b>	<b>+775</b>	<b>+4.7</b>
<b>Net Inc./Loss</b>	<b>- \$ 240</b>	<b>\$ 259</b>		

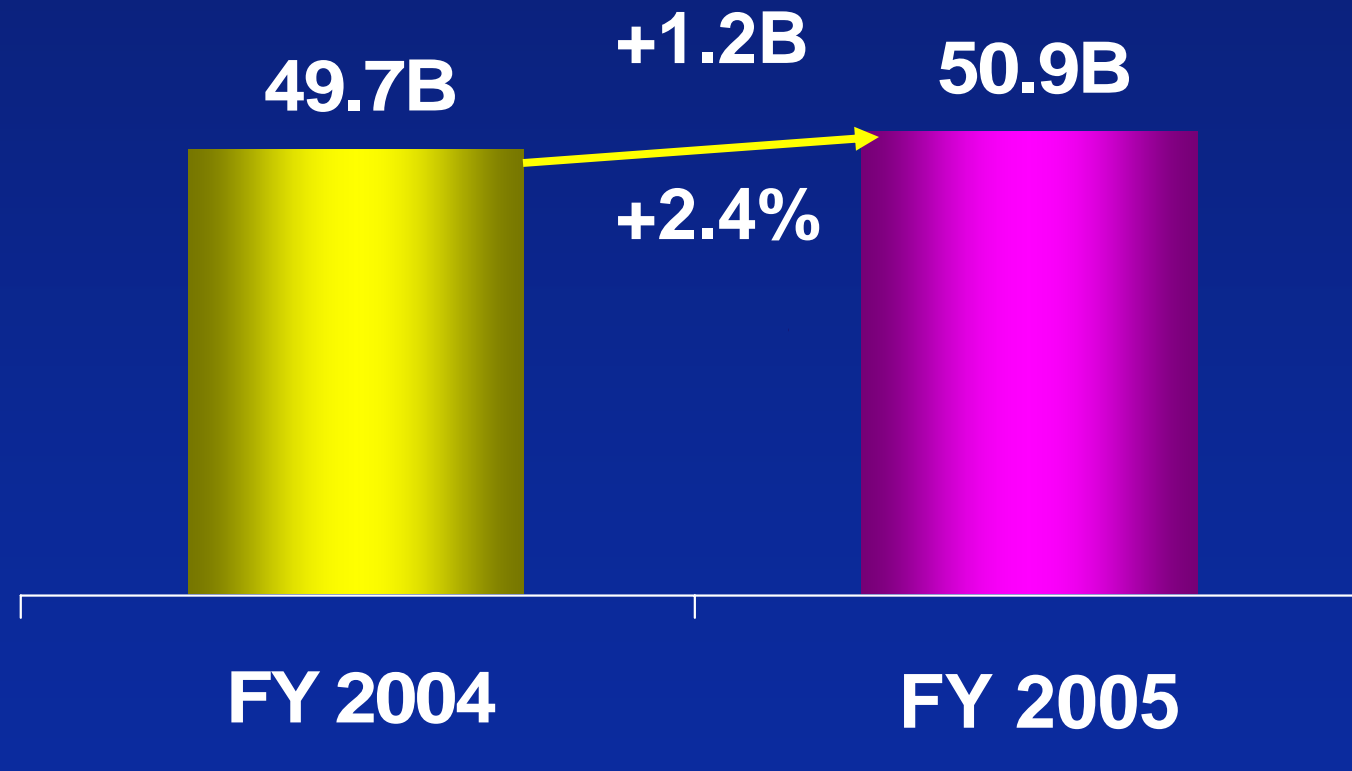
Numbers may not add due to rounding  
(\$ Millions)



# FINANCIAL PERFORMANCE – PQ 3

## Volume Compared to SPLY – Quarter 3

Revenue up 1.7%





## **FINANCIAL PERFORMANCE – PQ 3**

### **Volume and Revenue – Change to SPLY**

	<b><u>Volume Change</u></b>	<b><u>Revenue Change</u></b>	<b><u>Revenue % Change</u></b>
<b>First-Class</b>	<b>58.3M</b>	<b>-\$68M</b>	<b>-0.8%</b>
<b>Standard</b>	<b>1,065.2M</b>	<b>+\$161M</b>	<b>+3.7%</b>
<b>Periodicals</b>	<b>4.1M</b>	<b>-\$7M</b>	<b>-1.3%</b>
<b>Express</b>	<b>0.6M</b>	<b>+\$8M</b>	<b>+3.8%</b>
<b>Priority</b>	<b>15.1M</b>	<b>+\$86M</b>	<b>+8.3%</b>
<b>Package Serv.</b>	<b>19.1M</b>	<b>+\$13M</b>	<b>+2.7%</b>



# **FINANCIAL PERFORMANCE – PQ 3**

**FY 2005 – QTR 3 (April 1 – June 30)**

**Deliveries**

**143.7M**

**Change From Previous QTR 0.5M**

**Change From SPLY 2.0M**

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# **FINANCIAL PERFORMANCE – PQ 3**

**FY 2005 – PQ 3 YTD (Oct 1 – June 30, 2005)**

## **Productivity**

**Total Factor (TFP) +1.4%**

**Output Per Workhour +1.7%**

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# **FINANCIAL PERFORMANCE – PQ 3**

**FY 2005 – Qtr 3 YTD (Oct. 1 – June 30)**

## **Income Statement**

	<b><u>FY 2005</u></b>	<b><u>FY 2004</u></b>	<b><u>Chg</u></b>	<b><u>%Chg</u></b>
<b>Revenue</b>	<b>\$52,987</b>	<b>\$52,114</b>	<b>+\$873</b>	<b>+1.7</b>
<b>Expense</b>	<b><u>51,270</u></b>	<b><u>49,297</u></b>	<b>+1,972</b>	<b>+4.0</b>
<b>Net Income</b>	<b>\$ 1,717</b>	<b>\$ 2,817</b>		

Numbers may not add due to rounding  
(\$ Millions)



# **FINANCIAL PERFORMANCE – PQ 3**

## **FY 2005 Quarter 4 – Summary Outlook**

<b><u>Quarter 4</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005 Forecast</u></b>	<b><u>Outlook</u></b>
<b>Volume</b>	<b>51.0B</b>	<b>51.9B</b>	<b>Favorable</b>
<b>Revenue</b>	<b>\$16.9B</b>	<b>\$16.4B</b>	<b>Favorable</b>
<b>Expenses</b>	<b>\$16.7B</b>	<b>\$17.1B</b>	<b>Unfavorable</b>
<b>Net Income/Loss</b>	<b>+\$0.2B</b>	<b>-\$0.7B</b>	<b>Favorable</b>



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