

About Us

Canada Post operates the country's largest transportation and retail networks. It provides Canadians with outstanding delivery, logistics and communications services, and plays a key role in the Canadian economy.

To compete more effectively, we operate as The Canada Post Group, a group of related businesses—with approximately 71,000 employees—that include subsidiaries Purolator Courier Ltd. and SCI Group Inc. as well as joint venture Innovapost Inc. The Group remains one of the country's largest employers. It spends approximately \$3 billion annually on goods and services that support an additional 30,000 jobs in the national economy.*

In this report, "Canada Post" or "the Canada Post segment" refers to the core service of The Canada Post Group, consisting of our Transaction Mail, Direct Marketing and Parcels lines of business, and excludes our subsidiaries. The Canada Post segment represents approximately 80 per cent of the Corporation's consolidated operating revenue.

We have the exclusive privilege of collecting, transmitting and delivering letters up to 500 grams within Canada. In 2009, we delivered approximately 11 billion pieces of mail to 15 million residential and business addresses. Our delivery network continues to grow by approximately 200,000 addresses a year.

We believe in community involvement. In 2009, we raised more than \$1.6 million for mental health—our cause of choice. We also support literacy, the Canada Post Freestyle Team and United Way. Each Christmas, a team of employee volunteers helps Santa Claus answer more than one million letters in 28 languages. We are also proud to have been an official supplier of the Vancouver 2010 Olympic and Paralympic Winter Games.

Globally, most postal administrations are experiencing decreasing mail volumes, increasing points of call and demands from customers for more sophisticated services. Today, our

Canada Post at a glance

6,532 Post offices across Canada

15 million Addresses served in Canada

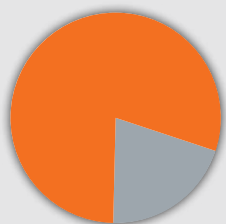
96.4% On-time delivery performance
As measured by IBM, a representative sample of fabricated short/long and oversized Lettermail test pieces is weighted according to origin-destination mail volumes.

competitors range from niche players to giant multinational corporations. Unlike our competitors, Canada Post is mandated to deliver mail to every address in Canada five days a week.

We are changing to meet our customers' evolving needs. We have undertaken a substantial \$2-billion Postal Transformation plan aimed at developing a more efficient mail delivery model. In the past two years, we have committed \$750 million to modernize equipment and enhance service. In 2010, Canada Post will open a new state-of-the-art mail-processing facility in Winnipeg, Manitoba, our first new mail-processing plant in more than 20 years.

* Conference Board of Canada study, 2007

Revenue
(Consolidated) Millions of dollars



■ Canada Post **\$5,840**
■ Subsidiaries/
Joint Venture* **\$1,472**

* including consolidation entries

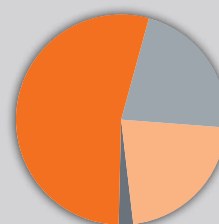
Income Before Taxes
(Consolidated) Millions of dollars



■ Canada Post **\$319**
■ Subsidiaries/
Joint Venture* **\$60**

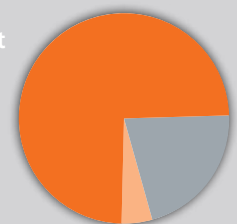
* including consolidation entries

Revenue by Market



■ Transaction Mail **54%**
■ Parcels **22%**
■ Direct Marketing **22%**
■ Other **2%**

Revenue Sources
Millions of dollars



■ Commercial **\$4,333**
■ Retail **\$1,244**
■ International Inbound
and Other **\$263**