

## HISTORICAL FINANCIAL INFORMATION

(unaudited, in millions of dollars)	2009	2008	2007	2006	2005
<b>OPERATIONS</b>					
Revenue from operations*	7,312	7,733	7,473	7,264	6,944
Cost of operations	6,955	7,594	7,346	7,116	6,681
Income from operations*	357	139	127	148	263
Per cent of revenue from operations	4.9 %	1.8 %	1.7 %	2.0 %	3.8 %
Non-operating income*	22	22	33	18	19
Income before income taxes	379	161	160	166	282
Income tax expense	95	67	102	44	80
Net income before non-controlling interest	284	94	58	122	202
Non-controlling interest in net income of subsidiaries	3	4	4	3	3
Net income	281	90	54	119	199
Other comprehensive income (loss), net of tax	(1)	–	–	–	–
Comprehensive income	280	90	54	119	199
Return on equity of Canada	17.0 %	6.1 %	3.8 %	8.4 %	15.0 %
<b>BALANCE SHEET</b>					
<b>Assets</b>					
Current	1,497	1,384	1,388	1,470	1,468
Segregated securities	654	862	632	469	446
Capital assets	2,216	2,034	1,855	1,731	1,693
Accrued pension benefit asset	1,335	898	944	1,010	784
Other	327	413	348	319	228
Total assets	6,029	5,591	5,167	4,999	4,619
<b>Liabilities and equity of Canada</b>					
Current	1,179	1,181	1,073	1,185	1,117
Accrued pension, other retirement and post-employment benefit liability	2,835	2,722	2,513	2,247	1,973
Other liabilities	199	155	120	115	119
Non-controlling interest	29	26	22	19	16
Equity of Canada	1,787	1,507	1,439	1,433	1,394
Total liabilities and equity of Canada	6,029	5,591	5,167	4,999	4,619
<b>ACQUISITION OF CAPITAL ASSETS</b>					
Land and buildings	65	145	110	65	42
Other capital assets	347	246	221	241	126
	412	391	331	306	168

\* Comparative figures have been reclassified in order to conform to the presentation adopted in 2009.

## HISTORICAL FINANCIAL INFORMATION

	2009	% Change	2008	% Change	2007	% Change	2006	% Change	2005 <sup>1</sup>
<b>LINE OF BUSINESS DIMENSIONS</b>									
<b>REVENUE FROM OPERATIONS</b>									
(unaudited, in millions of dollars / trading day adjusted per cent)									
<b>Transaction mail</b>									
Domestic mail/mail to foreign postal administrations <sup>2</sup>	3,024	(2.3) %	3,108	(0.1) %	3,100	(0.2) %	3,093	3.5 %	2,988
Mail from foreign postal administrations <sup>3</sup>	124	(1.2) %	126	9.7 %	114	0.1 %	114	(4.1) %	119
Canada Post segment	3,148	(2.3) %	3,234	0.2 %	3,214	(0.2) %	3,207	3.2 %	3,107
All other segments	–	–	–	–	–	(100.0) %	4	(1.9) %	4
Elimination of intersegment	(4)		(5)		(5)		(6)		(5)
The Canada Post Group	3,144	(2.3) %	3,229	0.2 %	3,209	(0.3) %	3,205	3.2 %	3,106
<b>Parcels</b>									
Domestic mail/mail to foreign postal administrations <sup>2</sup>	1,128	(2.7) %	1,164	4.9 %	1,105	3.8 %	1,061	(0.9) %	1,069
Mail from foreign postal administrations <sup>3</sup>	140	(4.4) %	147	9.5 %	134	(0.6) %	134	33.0 %	101
Canada Post segment	1,268	(2.9) %	1,311	5.4 %	1,239	3.3 %	1,195	2.1 %	1,170
Purolator segment	1,433	(7.9) %	1,563	7.4 %	1,448	7.1 %	1,347	7.4 %	1,254
Logistics segment	151	(3.2) %	156	6.4 %	146	8.3 %	134	(6.1) %	143
All other segments <sup>2</sup>	–	–	–	–	–	–	–	(100.0) %	2
Elimination of intersegment	(108)		(97)		(84)		(61)		(56)
The Canada Post Group	2,744	(6.1) %	2,933	6.3 %	2,749	4.7 %	2,615	4.0 %	2,513
<b>Direct marketing</b>									
Addressed Admail™	569	(10.1) %	635	1.9 %	621	6.1 %	583	9.9 %	530
Unaddressed Admail™	380	(4.3) %	399	5.6 %	376	10.3 %	339	14.4 %	297
Publications Mail™	259	(9.9) %	289	0.9 %	285	3.2 %	275	4.3 %	263
Other <sup>2</sup>	100	(6.9) %	108	(1.3) %	109	7.5 %	101	10.1 %	92
Canada Post segment	1,308	(8.2) %	1,431	2.5 %	1,391	6.7 %	1,298	9.8 %	1,182
All other segments <sup>2</sup>	–	–	–	–	–	–	–	–	–
The Canada Post Group	1,308	(8.2) %	1,431	2.5 %	1,391	6.7 %	1,298	9.8 %	1,182
<b>Other revenue</b>									
Canada Post segment	116	(11.4) %	132	18.7 %	111	(16.1) %	131	2.8 %	128
Purolator segment <sup>4</sup>	(0)	(109.2) %	4	617.5 %	(1)	(8,356.2) %	(0)	98.4 %	(0)
All other segments	168	(4.4) %	176	0.3 %	175	1.2 %	173	(1.4) %	175
Elimination of intersegment	(168)		(172)		(161)		(158)		(160)
The Canada Post Group	116	(16.8) %	140	11.9 %	124	(15.2) %	146	2.9 %	143
<b>Revenue from operations</b>									
Canada Post segment	5,840	(4.0) %	6,108	2.2 %	5,955	1.7 %	5,831	4.4 %	5,587
Purolator segment	1,433	(8.2) %	1,567	7.8 %	1,447	7.1 %	1,347	7.4 %	1,254
Logistics segment	151	(3.2) %	156	6.4 %	146	8.3 %	134	(6.1) %	143
All other segments	168	(4.4) %	176	0.3 %	175	(1.4) %	177	(2.3) %	181
Elimination of intersegment	(280)		(274)		(250)		(225)		(221)
The Canada Post Group	7,312	(5.1) %	7,733	3.1 %	7,473	2.5 %	7,264	4.6 %	6,944

## HISTORICAL FINANCIAL INFORMATION

	2009	% Change	2008	% Change	2007	% Change	2006	% Change	2005 <sup>1</sup>
<b>LINE OF BUSINESS DIMENSIONS</b>									
<b>VOLUME</b>									
(unaudited, in millions of pieces / trading day adjusted per cent)									
<b>Transaction mail</b>									
Domestic mail/mail to foreign postal administrations	4,829	(3.9) %	5,045	(1.8) %	5,116	(1.3) %	5,161	0.8 %	5,122
Mail from foreign postal administrations <sup>3</sup>	246	(9.8) %	274	(6.1) %	290	(6.8) %	310	(6.2) %	331
Canada Post segment	5,075	(4.2) %	5,319	(2.0) %	5,406	(1.6) %	5,471	0.3 %	5,453
Elimination of intersegment	(5)		(6)		(7)		(7)		(7)
The Canada Post Group	5,070	(4.2) %	5,313	(2.0) %	5,399	(1.6) %	5,464	0.3 %	5,446
<b>Parcels</b>									
Domestic mail/mail to foreign postal administrations	115	(5.8) %	122	(0.7) %	123	(0.2) %	123	(8.1) %	134
Mail from foreign postal administrations <sup>3</sup>	33	(10.6) %	37	(26.7) %	51	(2.2) %	51	135.4 %	22
Canada Post segment	148	(6.9) %	159	(8.3) %	174	(0.7) %	174	12.0 %	156
Purolator segment	138	(3.0) %	143	0.2 %	142	1.5 %	140	0.3 %	139
Elimination of intersegment	(2)		(3)		(2)		(2)		(2)
The Canada Post Group	284	(4.9) %	299	(4.6) %	314	0.1 %	312	6.4 %	293
<b>Direct marketing</b>									
Addressed Admail™	1,301	(13.1) %	1,503	(1.8) %	1,525	3.3 %	1,470	5.0 %	1,400
Unaddressed Admail™	3,640	(10.0) %	4,061	2.7 %	3,940	5.4 %	3,722	9.1 %	3,411
Publications Mail™	471	(9.4) %	522	(2.9) %	535	(0.4) %	536	0.8 %	531
Other	37	(34.1) %	56	(16.0) %	66	9.5 %	60	(7.4) %	65
The Canada Post Group	5,449	(10.9) %	6,142	0.9 %	6,066	4.4 %	5,788	7.0 %	5,407
<b>Total Volume</b>									
Canada Post segment	10,672	(7.8) %	11,620	(0.6) %	11,646	1.5 %	11,433	3.8 %	11,016
Purolator segment	138	(3.0) %	143	0.2 %	142	1.5 %	140	0.3 %	139
Elimination of intersegment	(7)		(9)		(9)		(9)		(9)
The Canada Post Group	10,803	(7.7) %	11,754	(0.6) %	11,779	1.5 %	11,564	3.7 %	11,146
<b>EMPLOYMENT<sup>5</sup></b>									
Full-time employees	60,126	(2.0) %	61,368	(0.3) %	61,557	0.8 %	61,064	1.1 %	60,405
Part-time employees	10,622	(0.1) %	10,632	(2.8) %	10,937	1.2 %	10,805	(2.0) %	11,028
Total employees	70,748	(1.7) %	72,000	(0.7) %	72,494	0.9 %	71,869	0.6 %	71,433
<b>MAIL NETWORK</b>									
Post offices	6,532	(1.3) %	6,618	0.1 %	6,614	0.2 %	6,602	(1.8) %	6,724
Points of delivery (in thousands)	14,874	1.2 %	14,696	1.4 %	14,493	1.4 %	14,293	1.7 %	14,053
Pick-up points (in thousands) <sup>6</sup>	994	(1.3) %	1,008	(0.7) %	1,015	(0.3) %	1,019	0.0 %	1,018

<sup>1</sup>The 2005 Canada Post segment revenues and volumes have been restated to reflect the 2006 change in methodology that now allocates the sales of commemorative stamps to transaction mail and parcels.

<sup>2</sup>The 2005 to 2007 revenues were restated to reflect minor realignments made in 2008 between lines of business.

<sup>3</sup>In 2005, Canada Post redesigned and increased sampling activity to achieve statistical validity and improved receipt verification reports and processes for international mail settlements. The scope of this initiative was subsequently expanded to include a joint effort with the United States Postal Service (USPS) to modify and improve the processes and procedures governing mail settlement between the two organizations. As a result of this, the inbound mail 2006 values are not comparable to the prior years.

<sup>4</sup>The 2005 to 2008 revenues for the Purolator segment were restated to include foreign exchange gains and losses.

<sup>5</sup>Includes paid full-time and part-time employees and excludes temporary, casual and term employees.

<sup>6</sup>Includes rural mailboxes (RMBs), which are collection points for customers with this mode of delivery.

## ADDITIONAL INFORMATION

The following chart presents the financial ratios over the past five years:

Consolidated Ratios (unaudited)	Policy Framework	2009	2008	2007	2006	2005
<b>Profitability</b>						
(1) Return on equity of Canada	11.0 %	17.0 %	6.1 %	3.8 %	8.4 %	15.0 %
(2) Operating profit margin		4.9 %	1.8 %	1.7 %	2.0 %	3.8 %
(3) Productivity	97.0 %	95.1 %	98.2 %	98.3 %	98.0 %	96.2 %
<b>Leverage</b>						
(4) Total debt to total capital	40.0 %	7.6 %	5.8 %	4.9 %	4.9 %	5.8 %
(5) Cash flow to debt		90.3 %	644.6 %	459.6 %	366.0 %	246.8 %
<b>Liquidity</b>						
(6) Current ratio		1.27	1.17	1.29	1.24	1.31
(7) Gross interest coverage		55.65	14.12	12.47	14.58	25.62
<b>Investment</b>						
(8) Cash flow to capital expenditures		32.1 %	153.0 %	104.0 %	87.9 %	126.7 %
(9) Capital asset investment rate		7.2 %	8.1 %	5.7 %	6.7 %	3.5 %
<b>Dividend payout</b>						
(10) Dividend payout ratio	25.0 %	0.0 %	40.0 %	40.0 %	40.0 %	40.0 %
Dividend payout ratio once return on equity of Canada $\geq$ 11%	40.0 %					

(1)  $\text{Net income} \div ((\text{equity of Canada beginning of year} + \text{equity of Canada end of year}) \div 2)$

(2)  $\text{Income from operations} \div \text{revenue from operations}$

(3)  $\text{Cost of operations} \div \text{revenue from operations}$

(4)  $(\text{Total debt} + \text{long-term financial obligation}) \div (\text{total debt} + \text{long-term financial obligation} + \text{equity of Canada})$

(5)  $\text{Cash flows from operating activities} \div (\text{total debt} + \text{long-term financial obligation})$

(6)  $\text{Current assets} \div \text{current liabilities}$

(7)  $\text{Income from operations} \div (\text{interest expense} + \text{long-term financial expense})$

(8)  $\text{Cash flows from operating activities} \div \text{cash acquisition of capital assets}$

(9)  $(\text{Acquisition of capital assets} - \text{proceeds from sale of capital assets}) \div ((\text{cost of capital assets beginning of year} + \text{cost of capital assets end of year}) \div 2)$

(10)  $\text{Dividend} \div \text{net income}$