

## HISTORICAL FINANCIAL INFORMATION

(unaudited, in millions of dollars)	2008	2007	2006	2005	2004
<b>OPERATIONS</b>					
Revenue from operations	7,729	7,474	7,264	6,944	6,651
Cost of operations	7,594	7,346	7,116	6,681	6,413
Income from operations	135	128	148	263	238
Per cent of revenue from operations	1.8 %	1.7 %	2.0 %	3.8 %	3.6 %
Non-operating income	26	32	18	19	3
Income before income taxes	161	160	166	282	241
Income tax expense	67	102	44	80	93
Net income before non-controlling interest	94	58	122	202	148
Non-controlling interest in net income of subsidiaries	4	4	3	3	1
Net income	90	54	119	199	147
Return on equity of Canada	6.1 %	3.8 %	8.4 %	15.0 %	12.1 %
<b>BALANCE SHEET</b>					
<b>Assets</b>					
Current*	1,384	1,388	1,470	1,468	1,290
Segregated securities	862	632	469	446	505
Capital assets*	2,034	1,855	1,731	1,693	1,753
Accrued pension benefit asset	898	944	1,010	784	497
Other*	413	348	319	228	286
Total assets*	5,591	5,167	4,999	4,619	4,331
<b>Liabilities and equity of Canada</b>					
Current*	1,181	1,073	1,185	1,117	1,109
Accrued pension, other retirement and post-employment benefit liability	2,722	2,513	2,247	1,973	1,818
Other liabilities	155	120	115	119	137
Non-controlling interest	26	22	19	16	13
Equity of Canada	1,507	1,439	1,433	1,394	1,254
Total liabilities and equity of Canada*	5,591	5,167	4,999	4,619	4,331
<b>ACQUISITION OF CAPITAL ASSETS</b>					
Land and buildings	145	110	65	42	48
Other capital assets*	246	221	241	126	176
	391	331	306	168	224

\* Comparative figures have been reclassified in order to conform to the presentation adopted in 2008.

## HISTORICAL FINANCIAL INFORMATION

	2008	% Change	2007	% Change	2006	% Change	2005*	% Change	2004
<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**	3,108	(0.1) %	3,100	(0.2) %	3,093	3.5 %	2,988	3.2 %	2,919
Mail from foreign postal administrations***	126	9.7 %	114	0.1 %	114	(4.1) %	119	(9.2) %	132
Canada Post segment	3,234	0.2 %	3,214	(0.2) %	3,207	3.2 %	3,107	2.6 %	3,051
All other segments	–	–	–	(100.0) %	4	(1.9) %	4	73.6 %	3
Elimination of intersegment	(5)		(5)		(6)		(5)		(7)
The Canada Post Group	3,229	0.2 %	3,209	(0.3) %	3,205	3.2 %	3,106	2.8 %	3,047
<b>Parcels</b>									
Domestic mail/mail to foreign postal administrations**	1,164	4.9 %	1,105	3.8 %	1,061	(0.9) %	1,069	8.5 %	994
Mail from foreign postal administrations***	147	9.5 %	134	(0.6) %	134	33.0 %	101	45.7 %	70
Canada Post segment	1,311	5.4 %	1,239	3.3 %	1,195	2.1 %	1,170	10.9 %	1,064
Purolator segment	1,563	7.4 %	1,448	7.1 %	1,347	7.4 %	1,254	9.3 %	1,156
Logistics segment	156	6.4 %	146	8.3 %	134	(6.1) %	143	5.0 %	137
All other segments**	–	–	–	–	–	(100.0) %	2	(64.6) %	5
Elimination of intersegment	(97)		(84)		(61)		(56)		(42)
The Canada Post Group	2,933	6.3 %	2,749	4.7 %	2,615	4.0 %	2,513	9.2 %	2,320
<b>Direct marketing</b>									
Addressed Admail™	635	1.9 %	621	6.1 %	583	9.9 %	530	4.1 %	513
Unaddressed Admail™	399	5.6 %	376	10.3 %	339	14.4 %	297	11.4 %	269
Publications Mail™	289	0.9 %	285	3.2 %	275	4.3 %	263	5.3 %	252
Other**	108	(1.3) %	109	7.5 %	101	10.1 %	92	3.0 %	90
Canada Post segment	1,431	2.5 %	1,391	6.7 %	1,298	9.8 %	1,182	6.0 %	1,124
All other segments**	–	–	–	–	–	–	–	–	–
The Canada Post Group	1,431	2.5 %	1,391	6.7 %	1,298	9.8 %	1,182	6.0 %	1,124
<b>Other revenue</b>									
Canada Post segment	132	18.7 %	111	(16.1) %	131	2.8 %	128	(9.8) %	143
All other segments	176	0.3 %	175	1.2 %	173	(1.4) %	175	(4.5) %	184
Elimination of intersegment	(172)		(161)		(158)		(160)		(167)
The Canada Post Group	136	7.6 %	125	(14.7) %	146	2.4 %	143	(9.9) %	160
<b>Revenue from operations</b>									
Canada Post segment	6,108	2.2 %	5,955	1.7 %	5,831	4.4 %	5,587	4.7 %	5,382
Purolator segment	1,563	7.4 %	1,448	7.1 %	1,347	7.4 %	1,254	9.3 %	1,156
Logistics segment	156	6.4 %	146	8.3 %	134	(6.1) %	143	5.0 %	137
All other segments	176	0.3 %	175	(1.4) %	177	(2.3) %	181	(4.8) %	192
Elimination of intersegment	(274)		(250)		(225)		(221)		(216)
The Canada Post Group	7,729	3.0 %	7,474	2.5 %	7,264	4.6 %	6,944	5.3 %	6,651

## HISTORICAL FINANCIAL INFORMATION

	2008	% Change	2007	% Change	2006	% Change	2005*	% Change	2004
<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	5,045	(1.8) %	5,116	(1.3) %	5,161	0.8 %	5,122	1.3 %	5,099
Mail from foreign postal administrations***	274	(6.1) %	290	(6.8) %	310	(6.2) %	331	6.1 %	314
Canada Post segment	5,319	(2.0) %	5,406	(1.6) %	5,471	0.3 %	5,453	1.5 %	5,413
Elimination of intersegment	(6)		(7)		(7)		(7)		(7)
The Canada Post Group	5,313	(2.0) %	5,399	(1.6) %	5,464	0.3 %	5,446	1.5 %	5,406
<b>Parcels</b>									
Domestic mail/mail to foreign postal administrations	122	(0.7) %	123	(0.2) %	123	(8.1) %	134	(3.3) %	139
Mail from foreign postal administrations***	37	(26.7) %	51	(2.2) %	51	135.4 %	22	37.7 %	16
Canada Post segment	159	(8.3) %	174	(0.7) %	174	12.0 %	156	0.9 %	155
Purolator segment	143	0.2 %	142	1.5 %	140	0.3 %	139	4.4 %	134
Elimination of intersegment	(3)		(2)		(2)		(2)		(1)
The Canada Post Group	299	(4.6) %	314	0.1 %	312	6.4 %	293	2.4 %	288
<b>Direct marketing</b>									
Addressed Admail™	1,503	(1.8) %	1,525	3.3 %	1,470	5.0 %	1,400	2.1 %	1,383
Unaddressed Admail™	4,061	2.7 %	3,940	5.4 %	3,722	9.1 %	3,411	8.1 %	3,180
Publications Mail™	522	(2.9) %	535	(0.4) %	536	0.8 %	531	(0.8) %	540
Other	56	(16.0) %	66	9.5 %	60	(7.4) %	65	(8.2) %	71
The Canada Post Group	6,142	0.9 %	6,066	4.4 %	5,788	7.0 %	5,407	5.4 %	5,174
<b>Total Volume</b>									
Canada Post segment	11,620	(0.6) %	11,646	1.5 %	11,433	3.8 %	11,016	3.4 %	10,742
Purolator segment	143	0.2 %	142	1.5 %	140	0.3 %	139	4.4 %	134
Elimination of intersegment	(9)		(9)		(9)		(9)		(8)
The Canada Post Group	11,754	(0.6) %	11,779	1.5 %	11,564	3.7 %	11,146	3.4 %	10,868
<b>EMPLOYMENT****</b>									
Full-time employees	61,368	(0.3) %	61,557	0.8 %	61,064	1.1 %	60,405	(1.6) %	61,409
Part-time employees	10,632	(2.8) %	10,937	1.2 %	10,805	(2.0) %	11,028	(3.8) %	11,465
Total employees	72,000	(0.7) %	72,494	0.9 %	71,869	0.6 %	71,433	(2.0) %	72,874
<b>MAIL NETWORK</b>									
Post offices	6,618	0.1 %	6,614	0.2 %	6,602	(1.8) %	6,724	(1.0) %	6,795
Points of delivery (in thousands)	14,696	1.4 %	14,493	1.4 %	14,293	1.7 %	14,053	1.8 %	13,808
Pickup points (in thousands)	1,008	(0.7) %	1,015	(0.3) %	1,019	0.0 %	1,018	2.2 %	997

\* 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. The % change from 2004 to 2005 on transaction mail without this change is 2.0% and 1.0% for revenues and volumes respectively (no significant impact on parcels).

\*\* The 2004 to 2007 revenues were restated to reflect minor realignments made in 2008 between lines of business.

\*\*\* 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.

\*\*\*\* Includes paid full-time and part-time employees and excludes temporary, casual and term employees.

## 90 ADDITIONAL INFORMATION

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

Consolidated Ratios (unaudited)	Policy Framework	2008	2007	2006	2005	2004
<b>Profitability</b>						
(1) Return on equity of Canada	11.0 %	6.1 %	3.8 %	8.4 %	15.0 %	12.1 %
(2) Operating profit margin		1.8 %	1.7 %	2.0 %	3.8 %	3.6 %
(3) Productivity	97.0 %	98.2 %	98.3 %	98.0 %	96.2 %	96.4 %
<b>Leverage</b>						
(4) Total debt to total capital	40.0 %	5.8 %	4.9 %	4.9 %	5.8 %	7.8 %
(5) Cash flow to debt		643.7 %	459.6 %	366.0 %	246.8 %	(122.4) %
<b>Liquidity</b>						
(6) Current ratio		1.17	1.29	1.24	1.31	1.16
(7) Gross interest coverage		13.67	12.47	14.58	25.62	21.29
<b>Investment</b>						
(8) Cash flow to capital expenditures		152.8 %	104.0 %	87.9 %	126.7 %	(58.1) %
(9) Capital asset investment rate		8.1 %	5.7 %	6.7 %	3.5 %	5.1 %
<b>Dividend payout</b>						
(10) Dividend payout ratio	25.0 %	40.0 %	40.0 %	40.0 %	40.0 %	40.0 %
Dividend payout ratio once return on equity of Canada $\geq$ 11 %	40.0 %					

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

(2) Income from operations  $\div$  revenue from operations

(3) Cost of operations  $\div$  revenue from operations

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

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

(6) Current assets  $\div$  current liabilities

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

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

(9) (Acquisition of capital assets – proceeds from sale of capital assets)  $\div$  ((cost of capital assets beginning of year + cost of capital assets end of year)  $\div$  2)

(10) Dividend  $\div$  net income