

USPS Preliminary Financial Information (Unaudited)

February 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue*	\$5,274	\$5,306	\$5,120	-0.6%	3.0%	\$28,973	\$29,040	\$28,380	-0.2%	2.1%
Government Appropriations	8	9	9	-13.5%	-5.7%	44	47	33	-8.2%	32.8%
Total Operating Revenue	\$5,282	\$5,315	\$5,129	-0.6%	3.0%	\$29,017	\$29,087	\$28,413	-0.2%	2.1%
Operating Expenses:										
Personnel Compensation and Benefits	\$3,764	\$3,731	\$3,797	0.9%	-0.9%	\$20,744	\$20,573	\$21,407	0.8%	-3.1%
Workers Compensation Cash Outlays (b)	115	109	106	5.2%	8.4%	554	556	536	-0.3%	3.3%
Transportation	502	505	510	-0.7%	-1.7%	2,827	2,916	2,928	-3.1%	-3.5%
Supplies and Services	196	184	181	6.7%	8.7%	1,026	993	909	3.4%	12.9%
Other Expenses**	539	552	547	-2.3%	-1.4%	2,788	2,793	2,735	-0.2%	1.9%
Total Controllable Operating Expenses	\$5,116	\$5,081	\$5,141	0.7%	-0.5%	\$27,939	\$27,831	\$28,515	0.4%	-2.0%
Controllable Operating Income (Loss)	\$166	\$234	(\$12)			\$1,078	\$1,256	(\$102)		
PSRHBFB Expenses	\$475	\$475	\$467	0.0%	1.8%	\$2,375	\$2,375	\$2,333	0.0%	1.8%
Workers Compensation (a)	60	-	346	NM	-82.6%	396	-	34	NM	1076.0%
Net Operating Income (Loss)	(\$369)	(\$241)	(\$825)			(\$1,693)	(\$1,119)	(\$2,469)		
Interest Income										
Interest Income	\$2	\$2	\$2	6.9%	2.0%	\$10	\$9	\$10	4.7%	-0.7%
Interest Expense	\$14	\$15	\$15	-6.1%	-4.7%	\$78	\$80	\$80	-2.0%	-2.7%
Net Income (Loss)	(\$381)	(\$254)	(\$838)			(\$1,761)	(\$1,190)	(\$2,539)		

Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)**	11,573	11,375	11,609	1.7%	-0.3%	65,040	64,570	67,071	0.7%	-3.0%
Total Shipping & Package Services	297	309	285	-3.8%	4.4%	1,769	1,775	1,615	-0.3%	9.5%
International Total**	68	68	73	-0.2%	-7.2%	407	389	423	4.7%	-3.7%
Total Mail, Shipping & Package Services	11,938	11,752	11,967	1.6%	-0.2%	67,216	66,734	69,109	0.7%	-2.7%
Total Workhours (Millions)	84	83	85	1.8%	-0.2%	465	456	467	1.9%	-0.4%
Total Career Employees						484,771		500,584		
Total Non-Career Employees						129,082		113,945		

\*February 2014 has same number of weekday/delivery days compared to February 2013.

\*\*Numbers may not add due to rounding and/or adjustments. Percentages calculated using unrounded numbers.

a) This represents non-cash adjustments; the impact of discount and inflation rate changes and the actuarial revaluation of new and existing cases.

b) This amount includes estimated cash outlays including administrative fee.

The Postal Accountability and Enhancement Act (PL 109-435) requires the Postal Service to provide quarterly and annual financial reports in accordance with the rules and regulations promulgated by the SEC for such reports. The data on this page represents preliminary financial information for the month of **February 2014** required by the Postal Regulatory Commission to be reported on a monthly basis. This data has not been subjected to all closing procedures and reviews required to present interim quarterly financial statements in accordance with generally accepted accounting principles (GAAP), nor does it constitute a full set of financial statements or contain all the necessary disclosures for a presentation in accordance with GAAP. If a full set of financial statements and related disclosures were included with this data, it might influence the user's conclusions about the Postal Service's financial position, results of operations, and cash flows. Accordingly, this financial data is not designed for those who are not informed about such matters. This data has not been audited, reviewed, or compiled by our independent auditor.

**Mail Volume and Mail Revenue (c)** (Source: Results derived from reclassified products based on Postal Service Revenue Pieces and Weights Reports)

February 2014

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class (excludes all parcels and Int'l):</i>						
Volume***	5,033,881	5,159,878	-2.4%	27,668,678	28,983,815	-4.5%
Revenue	\$2,282,345	\$2,233,440	2.2%	\$12,049,422	\$12,288,082	-1.9%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,065,486	5,907,926	2.7%	34,563,773	35,080,150	-1.5%
Revenue	\$1,339,916	\$1,251,523	7.1%	\$7,344,384	\$7,233,752	1.5%
<i>Periodicals:</i>						
Volume***	449,205	514,645	-12.7%	2,528,528	2,710,987	-6.7%
Revenue	\$123,491	\$134,596	-8.3%	\$661,730	\$699,708	-5.4%
<i>Package Services (excludes Standard Post &amp; Commercial Parcel Post):</i>						
Volume***	37,632	37,888	-0.7%	240,232	233,647	2.8%
Revenue	\$59,464	\$62,844	-5.4%	\$347,673	\$345,445	0.6%
<b>Total Mail (excludes all Int'l)</b>						
Volume***	11,572,425	11,609,180	-0.3%	65,039,635	67,071,150	-3.0%
Revenue	\$3,950,970	\$3,833,976	3.1%	\$21,222,599	\$21,343,669	-0.6%
<b>Total Shipping &amp; Package Services</b>						
Volume***	297,228	284,735	4.4%	1,768,699	1,615,331	9.5%
Revenue ^^	\$1,111,555	\$1,069,294	4.0%	\$6,477,088	\$5,809,691	11.5%
<b>International Total</b>						
Volume***	68,296	73,579	-7.2%	407,343	422,951	-3.7%
Revenue	\$221,026	\$256,908	-14.0%	\$1,326,900	\$1,328,631	-0.1%
<b>Total Mail, Shipping &amp; Package Services</b>						
Volume***	11,937,949	11,967,494	-0.2%	67,215,677	69,109,432	-2.7%
Revenue^	\$5,283,552	\$5,160,178	2.4%	\$29,026,588	\$28,481,991	1.9%

\*\*\*Note: The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis.

^Revenue on this report includes investment and interest income. The differences in SPLY and YTD SPLY revenues between Page 2 and Page 1 are due to additional statistical data available at each quarter-end.

^^Revenue amount includes Total Shipping & Package Services and Other Competitive from the RVC report

(c) See Reclassification footnote on page 4 of this report.

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**USPS Preliminary Expenses (Unaudited)**

**February 2014**

**(\$ Millions)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
<b>Personnel Compensation and Benefits:</b>										
Salaries & Benefits*										
City Delivery	\$1,293	\$1,272	\$1,322	1.7%	-2.2%	\$6,977	\$6,879	\$7,214	1.4%	-3.3%
Mail Processing	627	626	639	0.2%	-1.8%	3,532	3,529	3,663	0.1%	-3.6%
Customer Services and Retail	433	428	429	1.3%	1.0%	2,366	2,358	2,425	0.4%	-2.4%
Rural Delivery	488	480	470	1.6%	3.8%	2,638	2,575	2,547	2.4%	3.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	681	657	668	3.6%	1.9%	3,966	3,929	4,004	0.9%	-0.9%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,522</b>	<b>\$3,463</b>	<b>\$3,528</b>	<b>1.7%</b>	<b>-0.2%</b>	<b>\$19,479</b>	<b>\$19,270</b>	<b>\$19,853</b>	<b>1.1%</b>	<b>-1.9%</b>
<b>Other Personnel Related Expenses</b>										
Retiree Health Benefits Current Premiums	\$249	\$257	\$237	-3.0%	5.1%	\$1,224	\$1,246	\$1,151	-1.8%	6.4%
Workers Compensation Cash Outlays (b)	115	109	106	5.2%	8.4%	554	556	536	-0.3%	3.3%
All Other Personnel Related Expenses (includes Retirement Incentive)**	(7)	11	32	-164.0%	-121.1%	41	57	403	-28.1%	-89.8%
<b>Total Other Personnel Related Expenses</b>	<b>\$357</b>	<b>\$377</b>	<b>\$375</b>	<b>-5.1%</b>	<b>-4.8%</b>	<b>\$1,819</b>	<b>\$1,859</b>	<b>\$2,090</b>	<b>-2.1%</b>	<b>-13.0%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$3,879</b>	<b>\$3,840</b>	<b>\$3,903</b>	<b>1.0%</b>	<b>-0.6%</b>	<b>\$21,298</b>	<b>\$21,129</b>	<b>\$21,943</b>	<b>0.8%</b>	<b>-2.9%</b>
<b>PSRHBF Expenses</b>										
Workers' Compensation (a)	\$475	\$475	\$467	0.0%	1.8%	\$2,375	\$2,375	\$2,333	0.0%	1.8%
	60	-	346	NM	-82.6%	396	-	34	NM	1076.0%
<b>Total Personnel Compensation and Benefits</b>	<b>\$4,414</b>	<b>\$4,315</b>	<b>\$4,716</b>	<b>2.3%</b>	<b>-6.4%</b>	<b>\$24,069</b>	<b>\$23,504</b>	<b>\$24,310</b>	<b>2.4%</b>	<b>-1.0%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$502	\$505	\$510	-0.7%	-1.7%	\$2,827	\$2,916	\$2,928	-3.1%	-3.5%
Supplies and Services	196	184	181	6.7%	8.7%	1,026	993	909	3.4%	12.9%
Depreciation and Amortization	153	160	163	-4.4%	-6.1%	772	799	807	-3.4%	-4.3%
Rent	83	85	85	-3.0%	-2.3%	419	429	425	-2.5%	-1.3%
Utilities and Heating Fuel	53	46	53	14.3%	-1.2%	250	232	242	7.4%	3.4%
Vehicle Maintenance Service	90	83	83	7.5%	8.1%	453	413	426	9.6%	6.3%
Information Technology	44	59	39	-25.7%	11.0%	210	289	188	-27.4%	11.9%
Rural Carrier Equipment Maintenance Allowance	41	42	42	-3.1%	-2.0%	227	235	228	-3.6%	-0.5%
Other**	75	77	82	-3.2%	-8.1%	457	397	419	15.2%	9.2%
<b>Total Non-Personnel Expenses</b>	<b>\$1,237</b>	<b>\$1,241</b>	<b>\$1,238</b>	<b>-0.3%</b>	<b>-0.1%</b>	<b>\$6,641</b>	<b>\$6,703</b>	<b>\$6,572</b>	<b>-0.9%</b>	<b>1.0%</b>
<b>Total Operating Expenses</b>	<b>\$5,651</b>	<b>\$5,556</b>	<b>\$5,954</b>	<b>1.7%</b>	<b>-5.1%</b>	<b>\$30,710</b>	<b>\$30,207</b>	<b>\$30,882</b>	<b>1.7%</b>	<b>-0.6%</b>
Interest Expense	14	15	15	-6.1%	-4.7%	78	80	80	-2.0%	-2.7%
<b>Total Expenses</b>	<b>\$5,665</b>	<b>\$5,571</b>	<b>\$5,969</b>	<b>1.7%</b>	<b>-5.1%</b>	<b>\$30,788</b>	<b>\$30,287</b>	<b>\$30,962</b>	<b>1.7%</b>	<b>-0.6%</b>

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**USPS Preliminary Workhours (Unaudited)**

**February 2014**

**(Thousands)**

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	30,549	29,607	29,816	3.2%	2.5%	165,772	161,524	163,252	2.6%	1.5%
Mail Processing	15,008	14,908	15,535	0.7%	-3.4%	87,685	85,082	89,233	3.1%	-1.7%
Customer Services	10,518	10,384	10,731	1.3%	-2.0%	57,843	57,127	59,349	1.3%	-2.5%
Rural Delivery	13,447	13,371	13,328	0.6%	0.9%	73,349	71,911	72,348	2.0%	1.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	14,935	14,732	15,183	1.4%	-1.6%	79,964	80,314	82,474	-0.4%	-3.0%
<b>Total Workhours</b>	<b>84,457</b>	<b>83,002</b>	<b>84,593</b>	<b>1.8%</b>	<b>-0.2%</b>	<b>464,613</b>	<b>455,958</b>	<b>466,656</b>	<b>1.9%</b>	<b>-0.4%</b>

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**(c) Page 2 Reclassification events:**

Jan 27, 2013 (QT2 FY13): First-Class Mail International Packages (from market dominant) moved to the competitive category under First-Class Packages International Service.

Jan 27, 2013 (QT2 FY13): Parcel Post except Alaska Bypass (from market dominant) moved to the competitive category under Standard Post. Commercial Parcel Post was eliminated. However, mailers using commercial Parcel Post in the past can send their packages using nonpresorted Parcel Select without the usual restrictions.

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