

USPS Preliminary Financial Information (Unaudited)

July 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue* (c)	\$5,477	\$5,424	\$5,204	1.0%	5.2%	\$56,599	\$56,701	\$55,322	-0.2%	2.3%
Government Appropriations	14	9	9	50.9%	64.6%	117	\$95	76	23.3%	53.2%
Total Operating Revenue	\$5,491	\$5,433	\$5,213	1.1%	5.3%	\$56,716	\$56,796	\$55,398	-0.1%	2.4%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,005	\$4,031	\$3,999	-0.7%	0.1%	\$40,901	\$40,577	\$41,486	0.8%	-1.4%
Workers Compensation Cash (b)	122	112	152	8.9%	-20.1%	1,166	1,167	1,134	-0.1%	2.8%
Transportation	537	592	547	-9.3%	-1.8%	5,509	5,654	5,634	-2.6%	-2.2%
Supplies and Services (c)	195	220	182	-11.3%	7.0%	2,105	2,151	1,901	-2.1%	10.8%
Other Expenses**	572	616	556	-7.1%	2.8%	5,849	5,814	5,707	0.6%	2.5%
Total Controllable Operating Expenses	\$5,431	\$5,571	\$5,436	-2.5%	-0.1%	\$55,530	\$55,363	\$55,862	0.3%	-0.6%
Controllable Operating Income (Loss)	\$60	(\$138)	(\$223)			\$1,186	\$1,433	(\$464)		
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.8%	\$4,750	\$4,750	\$4,667	0.0%	1.8%
Workers Compensation (a)	(75)	-	(116)	NM	-35.5%	836	-	(813)	NM	-202.8%
Net Operating Income (Loss)	(\$340)	(\$613)	(\$574)			(\$4,400)	(\$3,318)	(\$4,317)		
Interest Income	\$2	\$2	\$2	6.9%	1.1%	\$20	\$19	\$20	5.8%	-1.7%
Interest Expense	\$15	\$17	\$16	-8.4%	-4.5%	\$154	\$161	\$160	-4.9%	-3.9%
Net Income (Loss)	(\$353)	(\$628)	(\$588)			(\$4,534)	(\$3,460)	(\$4,457)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)**	12,176	12,036	12,259	1.2%	-0.7%	126,338	124,746	128,793	1.3%	-1.9%
Total Shipping & Package Services**	319	319	291	-0.1%	9.6%	3,360	3,411	3,095	-1.5%	8.6%
International Total**	60	65	66	-7.6%	-10.0%	739	730	779	1.2%	-5.2%
Total Mail, Shipping & Package Services**	12,555	12,420	12,616	1.1%	-0.5%	130,437	128,887	132,667	1.2%	-1.7%
Total Workhours (Millions)	91	89	91	1.8%	-0.1%	925	911	927	1.5%	-0.2%
Total Career Employees						485,437		493,024		
Total Non-Career Employees						131,753		124,456		

*July 2014 has same number of weekday/delivery days compared to July 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.

c) Plan revenue and expenses have been adjusted to conform to current accounting of negotiated service agreements. These adjustments had no net impact on planned controllable income/(loss) or planned net income / (loss)

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 July 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 (d) (Source: Results derived from reclassified products based on Postal Service Revenue Pieces and Weights Reports)

July 2014

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class (excludes all parcels and Int'l):</i>						
Volume***	5,319,469	5,318,307	0.0%	53,974,865	55,690,667	-3.1%
Revenue	\$2,403,712	\$2,270,872	5.8%	\$23,947,663	\$23,799,831	0.6%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,293,036	6,419,426	-2.0%	66,804,798	67,295,983	-0.7%
Revenue	\$1,388,384	\$1,346,833	3.1%	\$14,450,232	\$14,038,540	2.9%
<i>Periodicals:</i>						
Volume***	528,604	475,787	11.1%	5,107,629	5,332,580	-4.2%
Revenue	\$136,555	\$122,084	11.9%	\$1,356,855	\$1,382,199	-1.8%
Total Mail (Note 1)						
Volume***	12,175,593	12,258,724	-0.7%	126,337,413	128,792,199	-1.9%
Revenue	\$4,146,731	\$3,954,797	4.9%	\$42,043,660	\$41,696,709	0.8%
<i>Package Services (excludes Standard Post & Commercial Parcel Post):</i>						
Volume***	41,443	40,478	2.4%	448,727	444,794	0.9%
Revenue	\$64,546	\$64,044	0.8%	\$662,215	\$662,401	0.0%
Total Shipping & Package Services (Note 2)						
Volume***	319,450	291,339	9.6%	3,360,333	3,095,373	8.6%
Revenue	\$1,122,456	\$1,045,756	7.3%	\$12,179,401	\$11,184,186	8.9%
International Total						
Volume***	59,660	66,269	-10.0%	739,237	779,425	-5.2%
Revenue	\$223,734	\$221,277	1.1%	\$2,512,890	\$2,544,333	-1.2%
Total Mail, Shipping & Package Services						
Volume***	12,554,703	12,616,332	-0.5%	130,436,984	132,666,997	-1.7%
Revenue (Note 3)	\$5,492,921	\$5,221,830	5.2%	\$56,735,951	\$55,425,227	2.4%

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

Note 1: Includes Total Market Dominant Services, Other Market Dominant Revenue and excludes all International.

Note 2: Includes Total Competitive Services, Other Competitive Revenue and excludes all International.

Note 3: 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.

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

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USPS Preliminary Expenses (Unaudited)

July 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits*										
City Delivery	\$1,361	\$1,368	\$1,390	-0.5%	-2.1%	\$13,839	\$13,767	\$14,227	0.5%	-2.7%
Mail Processing	648	648	659	0.0%	-1.7%	6,854	6,793	7,011	0.9%	-2.2%
Customer Services and Retail	455	453	453	0.6%	0.4%	4,678	4,628	4,683	1.1%	-0.1%
Rural Delivery	548	546	528	0.3%	3.7%	5,347	5,245	5,167	1.9%	3.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	731	736	720	-0.6%	1.5%	7,614	7,464	7,597	2.0%	0.2%
Total Salaries & Benefits	\$3,743	\$3,751	\$3,750	-0.2%	-0.2%	\$38,332	\$37,897	\$38,685	1.1%	-0.9%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$253	\$266	\$241	-4.9%	5.0%	\$2,481	\$2,557	\$2,357	-3.0%	5.3%
Workers Compensation Cash (b)	122	112	152	8.9%	-20.1%	1,166	1,167	1,134	-0.1%	2.8%
All Other Personnel Related Expenses (includes Retirement Incentive)**	9	15	9	-41.5%	-6.6%	88	123	444	-28.7%	-80.3%
Total Other Personnel Related Expenses	\$384	\$393	\$402	-2.3%	-4.5%	\$3,735	\$3,847	\$3,935	-2.9%	-5.1%
Controllable Personnel Compensation and Benefits	\$4,127	\$4,143	\$4,152	-0.4%	-0.6%	\$42,067	\$41,744	\$42,620	0.8%	-1.3%
PSRHBF Expenses										
Workers' Compensation (a)	(75)	-	(116)	NM	-35.5%	836	-	(813)	NM	-202.8%
Total Personnel Compensation and Benefits	\$4,527	\$4,618	\$4,502	-2.0%	0.5%	\$47,653	\$46,494	\$46,474	2.5%	2.5%
Non-Personnel Expenses:										
Transportation	\$537	\$592	\$547	-9.3%	-1.8%	\$5,509	\$5,654	\$5,634	-2.6%	-2.2%
Supplies and Services (c)	195	220	182	-11.3%	7.0%	2,105	2,151	1,901	-2.1%	10.8%
Depreciation and Amortization	153	169	157	-9.7%	-2.9%	1,543	1,611	1,594	-4.2%	-3.2%
Rent	83	86	80	-4.1%	3.3%	825	845	828	-2.4%	-0.4%
Utilities and Heating Fuel	53	46	50	14.8%	6.6%	516	457	489	13.0%	5.6%
Vehicle Maintenance Service	92	85	84	8.6%	10.5%	923	861	863	7.2%	7.0%
Information Technology	61	82	53	-26.5%	13.7%	476	683	425	-30.4%	12.0%
Rural Carrier Equipment Maintenance Allowance	48	42	48	13.6%	0.3%	460	472	464	-2.5%	-0.9%
Other**	82	106	83	-22.7%	-0.8%	1,106	885	1,044	24.9%	6.0%
Total Non-Personnel Expenses	\$1,304	\$1,428	\$1,284	-8.7%	1.5%	\$13,463	\$13,619	\$13,242	-1.1%	1.7%
Total Operating Expenses	\$5,831	\$6,046	\$5,786	-3.6%	0.8%	\$61,116	\$60,114	\$59,716	1.7%	2.3%
Interest Expense	15	17	16	-8.4%	-4.5%	154	161	160	-4.9%	-3.9%
Total Expenses	\$5,846	\$6,063	\$5,802	-3.6%	0.7%	\$61,270	\$60,275	\$59,876	1.6%	2.3%

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USPS Preliminary Workhours (Unaudited)

July 2014

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	32,963	32,207	32,760	2.3%	0.6%	332,084	325,898	328,559	1.9%	1.1%
Mail Processing	15,481	15,432	15,916	0.3%	-2.7%	167,539	165,168	171,029	1.4%	-2.0%
Customer Services	11,005	10,740	11,146	2.5%	-1.3%	114,265	112,381	116,123	1.7%	-1.6%
Rural Delivery	15,455	15,108	15,105	2.3%	2.3%	149,287	147,231	147,033	1.4%	1.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,236	16,001	16,338	1.5%	-0.6%	161,840	160,308	164,571	1.0%	-1.7%
Total Workhours	91,140	89,488	91,265	1.8%	-0.1%	925,015	910,986	927,315	1.5%	-0.2%

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(d) 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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