

USPS Preliminary Financial Information (Unaudited)

October 2014

(\$ Millions)

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:					
Mail and Services Revenue*	\$6,387	\$6,087	\$5,891	4.9%	8.4%
Government Appropriations	13	13	8	0.0%	62.5%
Total Operating Revenue	\$6,400	\$6,100	\$5,899	4.9%	8.5%
Operating Expenses:					
Personnel Compensation and Benefits	\$4,356	\$4,410	\$4,240	-1.2%	2.7%
Workers Compensation Cash (b)	124	111	106	11.7%	17.0%
Transportation	532	558	554	-4.7%	-4.0%
Supplies and Services	180	169	165	6.5%	9.1%
Other Expenses**	561	546	545	2.7%	2.9%
Total Controllable Operating Expenses	\$5,753	\$5,794	\$5,610	-0.7%	2.5%
Controllable Operating Income (Loss)	\$647	\$306	\$289		
PSRHBF Expenses	\$475	\$475	\$475	0.0%	0.0%
Workers Compensation (a)	396	77	209	NM	89.5%
Net Operating Income (Loss)	(\$224)	(\$246)	(\$395)		
Interest Income	\$2	\$2	\$2	0.0%	0.0%
Interest Expense	\$16	\$17	\$17	-5.9%	-5.9%
Net Income (Loss)	(\$238)	(\$261)	(\$410)		

Other Operating Statistics:					
Mail Volume: (Millions)					
Total Mail (excludes all Int'l)**	15,146	13,895	14,225	9.0%	6.5%
Total Shipping & Package Services**	384	367	337	4.6%	13.8%
International Total**	80	62	71	29.0%	14.8%
Total Mail, Shipping & Package Services**	15,610	14,324	14,633	9.0%	6.7%
Total Workhours (Millions)	97	96	96	0.6%	1.4%
Total Career Employees	487,054		490,145		-0.6%
Total Non-Career Employees	133,674		126,935		5.3%

*October 2014 has same number of delivery days compared to October 2013.

**Numbers may not add due to rounding and/or adjustments. Percentages calculated using rounded 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 October 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 (Source: Results derived from reclassified products based on Postal Service Revenue Pieces and Weights)

October 2014

(Thousands)

	Year-to-Date		
	Actual	SPLY	% SPLY
Mailing Services:			
<i>First Class (excludes all parcels and Int'l):</i>			
Volume***	5,494,942	5,607,055	-2.0%
Revenue	\$2,491,049	\$2,424,030	2.8%
<i>Standard Mail (excludes all parcels and Int'l):</i>			
Volume***	9,049,706	8,004,824	13.1%
Revenue	\$1,970,495	\$1,683,286	17.1%
<i>Periodicals:</i>			
Volume***	570,409	575,532	-0.9%
Revenue	\$157,828	\$153,367	2.9%
Total Mail (Note 1)			
Volume***	15,146,239	14,225,451	6.5%
Revenue	\$4,834,448	\$4,477,108	8.0%
<i>Package Services (ex. Inbound Intl. Surface Parcel Post <at UPU Rates>):</i>			
Volume***	59,684	51,915	15.0%
Revenue	\$76,488	\$68,491	11.7%
Total Shipping & Package Services (Note 2)			
Volume***	383,470	336,957	13.8%
Revenue	\$1,321,346	\$1,182,365	11.8%
International Total			
Volume***	80,472	70,101	14.8%
Revenue	\$245,941	\$251,053	-2.0%
Total Mail, Shipping & Package Services			
Volume***	15,610,181	14,632,508	6.7%
Revenue (Note 3)	\$6,401,735	\$5,910,526	8.3%

***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 revenues between Page 2 and Page 1 are due to additional statistical data available at each quarter-end.

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USPS Preliminary Expenses (Unaudited)

October 2014

(\$ Millions)

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:					
Salaries & Benefits*					
City Delivery	\$1,463	\$1,481	\$1,418	-1.2%	3.2%
Mail Processing	716	738	714	-3.0%	0.3%
Customer Services and Retail	483	507	475	-4.7%	1.7%
Rural Delivery	567	570	528	-0.5%	7.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	866	842	851	2.9%	1.8%
Total Salaries & Benefits	\$4,095	\$4,138	\$3,986	-1.0%	2.7%
Other Personnel Related Expenses					
Retiree Health Benefits Current Premiums	\$253	\$261	\$243	-3.1%	4.1%
Workers Compensation Cash (b)	124	111	106	11.7%	17.0%
All Other Personnel Related Expenses**	8	11	11	-27.3%	-27.3%
Total Other Personnel Related Expenses	\$385	\$383	\$360	0.5%	6.9%
Controllable Personnel Compensation and Benefits	\$4,480	\$4,521	\$4,346	-0.9%	3.1%
PSRHBF Expenses	\$475	\$475	\$475	0.0%	0.0%
Workers' Compensation (a)	396	77	209	NM	89.5%
Total Personnel Compensation and Benefits	\$5,351	\$5,073	\$5,030	5.5%	6.4%
Non-Personnel Expenses:					
Transportation	\$532	\$558	\$554	-4.7%	-4.0%
Supplies and Services	180	169	165	6.5%	9.1%
Depreciation and Amortization	154	152	155	1.3%	-0.6%
Rent	79	87	85	-9.2%	-7.1%
Utilities and Heating Fuel	52	54	48	-3.7%	8.3%
Vehicle Maintenance Service	93	87	92	6.9%	1.1%
Information Technology	55	34	38	61.8%	44.7%
Rural Carrier Equipment Maintenance Allowance	48	55	48	-12.7%	0.0%
Other**	80	78	78	2.6%	2.6%
Total Non-Personnel Expenses	\$1,273	\$1,274	\$1,263	-0.1%	0.8%
Total Operating Expenses	\$6,624	\$6,347	\$6,293	4.4%	5.3%
Interest Expense	16	17	17	-5.9%	-5.9%
Total Expenses	\$6,640	\$6,364	\$6,310	4.3%	5.2%

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USPS Preliminary Workhours (Unaudited)**October 2014****(Thousands)**

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*					
City Delivery	35,364	34,545	34,120	2.4%	3.6%
Mail Processing	17,341	17,572	17,601	-1.3%	-1.5%
Customer Services	11,760	12,091	11,772	-2.7%	-0.1%
Rural Delivery	15,750	15,588	15,216	1.0%	3.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,981	16,683	17,087	1.8%	-0.6%
Total Workhours	97,196	96,479	95,796	0.7%	1.5%

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