

**USPS Preliminary Financial Information (Unaudited)**

**October 2013**

**(\$ Millions)**

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
<b>Operating Revenue:</b>					
Mail and Services Revenue*	\$5,891	\$5,883	\$6,032	0.1%	-2.3%
Government Appropriations	8	10	11	-22.7%	-22.6%
<b>Total Operating Revenue</b>	<b>\$5,899</b>	<b>\$5,893</b>	<b>\$6,043</b>	<b>0.1%</b>	<b>-2.4%</b>
<b>Operating Expenses:</b>					
Personnel Compensation and Benefits	\$4,240	\$4,248	\$4,374	-0.2%	-3.1%
Workers Compensation Caseload Expense	106	111	105	-4.4%	0.9%
Transportation	554	580	584	-4.5%	-5.2%
Supplies and Services	165	186	154	-11.3%	7.7%
Other Expenses**	545	531	539	2.6%	1.1%
<b>Total Controllable Operating Expenses</b>	<b>\$5,610</b>	<b>\$5,656</b>	<b>\$5,756</b>	<b>-0.8%</b>	<b>-2.5%</b>
<b>Controllable Operating Income (Loss)</b>	<b>\$289</b>	<b>\$237</b>	<b>\$287</b>		
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.8%
Workers Compensation (a)	209	-	(257)	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$395)</b>	<b>(\$238)</b>	<b>\$77</b>		
<b>Interest Income</b>					
Interest Income	\$2	\$2	\$2	6.9%	-2.5%
<b>Interest Expense</b>					
Interest Expense	\$17	\$16	\$18	10.4%	-1.9%
<b>Net Income (Loss)</b>	<b>(\$410)</b>	<b>(\$252)</b>	<b>\$61</b>		

<b>Other Operating Statistics:</b>					
<b>Mail Volume: (Millions)</b>					
Total Mail (excludes all Int'l)	14,206	14,027	15,694	1.3%	-9.5%
Total Shipping & Package Services (Includes all Int'l)	409	393	374	4.1%	9.6%
<b>Total Mail, Shipping &amp; Package Services</b>	<b>14,616</b>	<b>14,420</b>	<b>16,068</b>	<b>1.4%</b>	<b>-9.0%</b>
<b>Total Workhours (Millions)</b>					
Total Workhours (Millions)	96	94	97	1.5%	-1.5%
Total Career Employees	490,145				
Total Non-Career Employees	126,935				

\*October 2013 has same number of weekday/delivery days compared to October 2012

\*\*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.

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 2013 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 (b)** (Source: Results derived from reclassified products based on Postal Service Revenue Pieces and Weights Reports)

October 2013  
(Thousands)

	Year-to-Date		
	Actual	SPLY	% SPLY
<b>Mailing Services:</b>			
<i>First Class (excludes all parcels and Int'l):</i>			
Volume***	5,587,921	5,797,348	-3.6%
Revenue	\$2,411,394	\$2,451,291	-1.6%
<i>Standard Mail (excludes all parcels and Int'l):</i>			
Volume***	8,004,745	9,268,666	-13.6%
Revenue	\$1,683,518	\$1,863,891	-9.7%
<i>Periodicals:</i>			
Volume***	575,528	593,315	-3.0%
Revenue	\$153,965	\$157,110	-2.0%
<i>Package Services (excludes Standard Post &amp; Commercial Parcel Post):</i>			
Volume***	52,024	47,863	8.7%
Revenue	\$68,956	\$66,024	4.4%
<b>Total Mail (excludes all Int'l)</b>			
Volume***	14,206,348	15,694,113	-9.5%
Revenue	\$4,460,461	\$4,739,982	-5.9%
<b>Total Shipping &amp; Package Services (includes all Int'l)</b>			
Volume***	409,319	373,563	9.6%
Revenue	\$1,440,139	\$1,305,105	10.3%
<b>Total Mail, Shipping &amp; Package Services</b>			
Volume***	14,615,667	16,067,676	-9.0%
Revenue^	\$5,900,600	\$6,045,087	-2.4%

\*\*\*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.

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

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**USPS Preliminary Expenses (Unaudited)**

**October 2013**

**(\$ Millions)**

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
<b>Personnel Compensation and Benefits:</b>					
Salaries & Benefits*					
City Delivery	\$1,418	\$1,428	\$1,508	-0.7%	-6.0%
Mail Processing	714	706	747	1.1%	-4.4%
Customer Services and Retail	475	482	497	-1.4%	-4.3%
Rural Delivery	528	535	522	-1.2%	1.1%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	851	842	864	1.1%	-1.5%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,986</b>	<b>\$3,993</b>	<b>\$4,138</b>	<b>-0.2%</b>	<b>-3.7%</b>
Other Personnel Related Expenses					
Retiree Health Benefits Current Premiums	\$243	\$244	\$225	-0.6%	7.7%
Worker's Compensation Caseload Expenses	106	111	105	-4.4%	0.9%
All Other Personnel Related Expenses (includes Retirement Incentive)**	11	11	11	-5.2%	-2.8%
<b>Total Other Personnel Related Expenses</b>	<b>\$360</b>	<b>\$366</b>	<b>\$341</b>	<b>-1.6%</b>	<b>5.5%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,346</b>	<b>\$4,359</b>	<b>\$4,479</b>	<b>-0.3%</b>	<b>-3.0%</b>
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.8%
Workers' Compensation (a)	209	-	(257)	NM	NM
<b>Total Personnel Compensation and Benefits</b>	<b>\$5,030</b>	<b>\$4,834</b>	<b>\$4,689</b>	<b>4.1%</b>	<b>7.3%</b>

<b>Non-Personnel Expenses:</b>					
Transportation	\$554	\$580	\$584	-4.5%	-5.2%
Supplies and Services	165	186	154	-11.3%	7.7%
Depreciation and Amortization	155	161	161	-3.6%	-3.8%
Rent	85	90	86	-5.6%	-1.3%
Utilities and Heating Fuel	48	53	53	-8.2%	-8.0%
Vehicle Maintenance Service	92	78	88	17.4%	4.0%
Information Technology	38	36	38	7.2%	2.3%
Rural Carrier Equipment Maintenance Allowance	48	43	47	10.8%	1.8%
Other**	78	69	66	13.3%	17.0%
<b>Total Non-Personnel Expenses</b>	<b>\$1,263</b>	<b>\$1,296</b>	<b>\$1,277</b>	<b>-2.6%</b>	<b>-1.2%</b>

<b>Total Operating Expenses</b>	<b>\$6,293</b>	<b>\$6,130</b>	<b>\$5,966</b>	<b>2.7%</b>	<b>5.5%</b>
Interest Expense	17	16	18	10.4%	-1.9%
<b>Total Expenses</b>	<b>\$6,310</b>	<b>\$6,146</b>	<b>\$5,984</b>	<b>2.7%</b>	<b>5.5%</b>

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USPS Preliminary Workhours (Unaudited)

October 2013

(Thousands)

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*					
City Delivery	34,120	33,725	34,218	1.2%	-0.3%
Mail Processing	17,601	17,069	17,947	3.1%	-1.9%
Customer Services	11,772	11,701	12,168	0.6%	-3.3%
Rural Delivery	15,216	15,110	15,277	0.7%	-0.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	17,087	16,740	17,690	2.1%	-3.4%
Total Workhours	95,796	94,345	97,301	1.5%	-1.5%

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(b) 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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