

USPS Preliminary Financial Information (unaudited)

September 2013 (revised 12-9-13)

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue*	\$5,266	\$5,269	\$5,247	-0.1%	0.4%	\$65,913	\$64,749	\$65,048	1.8%	1.3%
Government Appropriations	4	10	77	-60.9%	-94.7%	89	126	175	-29.4%	-49.2%
Total Operating Revenue	\$5,270	\$5,279	\$5,324	-0.2%	-1.0%	\$66,002	\$64,875	\$65,223	1.7%	1.2%
Operating Expenses:										
Personnel Compensation and Benefits	\$3,946	\$3,827	\$3,992	3.1%	-1.2%	\$49,558	\$49,409	\$50,317	0.3%	-1.5%
Workers Compensation Caseload Expense	107	109	132	-1.6%	-18.9%	1,351	1,401	1,353	-3.6%	-0.1%
Transportation	534	446	535	19.9%	-0.1%	6,735	6,656	6,630	1.2%	1.6%
Supplies and Services	293	249	244	17.4%	20.2%	2,400	2,546	2,263	-5.7%	6.0%
Other Expenses**	492	603	734	-18.5%	-33.0%	6,774	6,725	6,924	0.7%	-2.2%
Total Controllable Operating Expenses	\$5,372	\$5,234	\$5,637	2.6%	-4.7%	\$66,818	\$66,737	\$67,487	0.1%	-1.0%
Controllable Operating Income (Loss)	(\$102)	\$45	(\$313)			(\$816)	(\$1,862)	(\$2,264)		
PSRHF Expenses	\$467	\$467	\$467	0.0%	0.0%	\$5,600	\$5,600	\$11,100	0.0%	-49.5%
Workers Compensation (a)	606	-	617	NM	-1.8%	(290)	-	2,377	NM	NM
Change in Accounting Estimate (1)	(1,316)	-	-	NM	NM	(1,316)	-	-	NM	NM
Net Operating Income (Loss)	\$141	(\$422)	(\$1,397)			(\$4,810)	(\$7,462)	(\$15,741)		
Interest Income	\$2	\$2	\$2	10.1%	-5.9%	\$24	\$23	\$25	5.3%	-2.1%
Interest Expense	\$15	\$18	\$16	-12.4%	-3.6%	\$191	\$206	\$190	-7.3%	0.9%
Net Income (Loss)	\$128	(\$438)	(\$1,411)			(\$4,977)	(\$7,645)	(\$15,906)		

Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)	12,394	11,968	12,459	3.6%	-0.5%	153,771	148,456	155,408	3.6%	-1.1%
Total Shipping & Package Services (Includes all Int'l)	367	380	342	-3.4%	7.2%	4,613	4,631	4,427	-0.4%	4.2%
Total Mail, Shipping & Package Services	12,761	12,348	12,801	3.3%	-0.3%	158,384	153,087	159,835	3.5%	-0.9%
Total Workhours (Millions)	88	88	89	0.3%	-0.5%	1,110	1,104	1,122	0.5%	-1.1%
Total Career Employees						491,016				
Total Non-Career Employees						126,697				

*September 2013 has one more weekday and one less Saturday compared to SPLY

**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.

1) The change in accounting estimate is due to new information, not previously available, regarding consumer behavior and usage patterns related to Forever Stamps improved visibility into the usage of Forever Stamps. Based on this new information, the Postal Service recognized approximately \$1.3 billion in revenue previously deferred related to Forever Stamps.

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 September 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)

September 2013 (revised 12-9-13)

(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***	4,868,729	5,244,595	-7.2%	65,833,516	68,673,670	-4.1%
Revenue	\$2,078,782	\$2,218,860	-6.3%	\$28,152,329	\$28,855,702	-2.4%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,846,360	6,632,685	3.2%	80,890,112	79,496,105	1.8%
Revenue	\$1,453,619	\$1,372,316	5.9%	\$16,914,770	\$16,427,695	3.0%
<i>Periodicals:</i>						
Volume***	497,247	543,748	-8.6%	6,358,973	6,741,351	-5.7%
Revenue	\$133,770	\$142,784	-6.3%	\$1,658,167	\$1,731,485	-4.2%
<i>Package Services (excludes Standard Post & Commercial Parcel Post):</i>						
Volume***	48,651	48,044	1.3%	540,832	575,493	-6.0%
Revenue	\$70,470	\$71,223	-1.1%	\$807,450	\$846,181	-4.6%
Total Mail (excludes all Int'l)						
Volume***	12,394,396	12,458,927	-0.5%	153,771,037	155,408,124	-1.1%
Revenue	\$3,909,471	\$4,124,374	-5.2%	\$49,691,606	\$50,228,466	-1.1%
Total Shipping & Package Services (includes all Int'l)						
Volume***	366,515	342,048	7.2%	4,613,234	4,426,719	4.2%
Revenue	\$1,362,337	\$1,201,459	13.4%	\$16,334,477	\$15,018,764	8.8%
Total Mail, Shipping & Package Services						
Volume***	12,760,911	12,800,975	-0.3%	158,384,271	159,834,843	-0.9%
Revenue^	\$5,271,808	\$5,325,833	-1.0%	\$66,026,083	\$65,247,230	1.2%

***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 but does not include the \$1.3 billion recognized revenue previously deferred for Forever Stamps as noted on page 1.

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

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USPS Preliminary Expenses (unaudited)

September 2013 (revised 12-9-13)

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits*										
City Delivery	\$1,317	\$1,321	\$1,374	-0.3%	-4.1%	\$16,965	\$16,812	\$17,085	0.9%	-0.7%
Mail Processing	669	670	697	-0.1%	-4.0%	8,353	8,464	8,806	-1.3%	-5.1%
Customer Services and Retail	443	454	456	-2.3%	-2.8%	5,585	5,790	5,961	-3.5%	-6.3%
Rural Delivery	501	490	489	2.2%	2.5%	6,210	6,228	6,166	-0.3%	0.7%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	743	650	738	14.2%	0.7%	9,102	8,947	9,420	1.7%	-3.4%
Total Salaries & Benefits	\$3,673	\$3,585	\$3,754	2.4%	-2.2%	\$46,215	\$46,241	\$47,438	-0.1%	-2.6%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$243	\$233	\$227	4.4%	7.1%	\$2,850	\$2,798	\$2,629	1.8%	8.4%
Worker's Compensation Caseload Expenses	107	109	132	-1.6%	-18.9%	1,351	1,401	1,353	-3.6%	-0.1%
All Other Personnel Related Expenses (includes Retirement Incentive)**	29	9	10	236.3%	NM	493	370	250	33.3%	97.6%
Total Other Personnel Related Expenses	\$379	\$351	\$369	8.0%	2.5%	\$4,694	\$4,569	\$4,232	2.7%	10.9%
Controllable Personnel Compensation and Benefits	\$4,052	\$3,936	\$4,123	2.9%	-1.7%	\$50,910	\$50,810	\$51,670	0.2%	-1.5%
PSRHBFB Expenses	\$467	\$467	\$467	0.0%	0.0%	\$5,600	\$5,600	\$11,100	0.0%	-49.5%
Workers' Compensation (a)	606	-	617	NM	-1.8%	(290)	-	2,377	NM	NM
Total Personnel Compensation and Benefits	\$5,125	\$4,403	\$5,207	16.4%	-1.6%	\$56,219	\$56,410	\$65,147	-0.3%	-13.7%
Non-Personnel Expenses:										
Transportation	\$534	\$446	\$535	19.9%	-0.1%	\$6,735	\$6,656	\$6,630	1.2%	1.6%
Supplies and Services	293	249	244	17.4%	20.2%	2,400	2,546	2,263	-5.7%	6.0%
Depreciation and Amortization	154	168	165	-8.3%	-6.7%	1,901	1,987	2,075	-4.3%	-8.4%
Rent	78	81	81	-4.8%	-4.8%	985	1,023	1,013	-3.7%	-2.8%
Utilities and Heating Fuel	48	50	58	-3.4%	-17.2%	598	578	610	3.4%	-2.1%
Vehicle Maintenance Service	84	86	80	-2.2%	4.4%	1,040	959	995	8.5%	4.6%
Information Technology	63	53	65	18.8%	-1.9%	534	510	495	4.6%	7.7%
Rural Carrier Equipment Maintenance Allowance	44	44	48	0.4%	-7.4%	558	590	579	-5.5%	-3.6%
Other**	22	121	238	-81.5%	-90.6%	1,158	1,078	1,156	7.4%	0.2%
Total Non-Personnel Expenses	\$1,320	\$1,298	\$1,513	1.7%	-12.8%	\$15,909	\$15,927	\$15,817	-0.1%	0.6%
Total Operating Expenses	\$6,445	\$5,701	\$6,721	13.1%	-4.1%	\$72,128	\$72,337	\$80,963	-0.3%	-10.9%
Interest Expense	15	18	16	-12.4%	-3.6%	191	206	190	-7.3%	0.9%
Total Expenses	\$6,460	\$5,719	\$6,737	12.9%	-4.1%	\$72,319	\$72,543	\$81,153	-0.3%	-10.9%

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USPS Preliminary Workhours (unaudited)

September 2013 (revised 12-9-13)

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	31,258	30,725	30,884	1.7%	1.2%	393,986	386,830	389,219	1.8%	1.2%
Mail Processing	16,241	16,166	16,674	0.5%	-2.6%	203,802	201,019	210,170	1.4%	-3.0%
Customer Services	10,820	11,036	11,037	-2.0%	-2.0%	138,477	139,202	144,309	-0.5%	-4.0%
Rural Delivery	14,112	13,903	14,022	1.5%	0.6%	176,697	176,360	177,715	0.2%	-0.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	15,762	16,132	15,977	-2.3%	-1.3%	196,868	200,672	200,738	-1.9%	-1.9%
Total Workhours	88,193	87,962	88,594	0.3%	-0.5%	1,109,830	1,104,083	1,122,151	0.5%	-1.1%

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(b) Page 2 Reclassification events:

Oct 1, 2011 (QT1 FY12): Commercial Parcels under First-Class Parcels (from market dominant both single piece and presort) moved to the competitive category under First-Class Package Service.

Jan 22, 2012 (QT2 FY12): Machinable and irregular parcels under Standard Mail Regular Parcels (from market dominant) moved to the competitive category under Parcel Select Lightweight.

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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