

USPS Preliminary Financial Information (Unaudited)

December 2013

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue*	\$6,488	\$6,503	\$6,106	-0.2%	6.3%	\$17,967	\$17,909	\$17,643	0.3%	1.8%
Government Appropriations	11	10	(3)	3.1%	-442.8%	27	\$28	17	-4.7%	62.8%
Total Operating Revenue	\$6,499	\$6,513	\$6,103	-0.2%	6.5%	\$17,994	\$17,937	\$17,660	0.3%	1.9%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,489	\$4,390	\$4,543	2.3%	-1.2%	\$12,830	\$12,657	\$13,145	1.4%	-2.4%
Workers Compensation Cash Outlays	106	115	115	-8.0%	-8.2%	324	336	326	-3.8%	-0.6%
Transportation	703	740	709	-5.1%	-0.9%	1,779	1,846	1,839	-3.6%	-3.3%
Supplies and Services	250	224	210	11.6%	19.1%	616	596	547	3.4%	12.7%
Other Expenses**	570	576	584	-1.1%	-2.4%	1,655	1,649	1,625	0.3%	1.8%
Total Controllable Operating Expenses	\$6,118	\$6,045	\$6,161	1.2%	-0.7%	\$17,204	\$17,084	\$17,482	0.7%	-1.6%
Controllable Operating Income (Loss)	\$381	\$468	(\$58)			\$790	\$853	\$178		
PSRHSF Expenses	\$475	\$475	\$467	0.0%	1.8%	\$1,425	\$1,425	\$1,400	0.0%	1.8%
Workers Compensation (a)	(323)	-	(30)	NM	NM	(323)	-	(2)	NM	NM
Net Operating Income (Loss)	\$229	(\$7)	(\$495)			(\$312)	(\$572)	(\$1,220)		
Interest Income	\$2	\$2	\$2	6.9%	-2.8%	\$6	\$6	\$6	5.1%	-1.6%
Interest Expense	\$16	\$17	\$16	-5.7%	-2.7%	\$48	\$48	\$50	0.6%	-2.4%
Net Income (Loss)	\$215	(\$22)	(\$509)			(\$354)	(\$614)	(\$1,264)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)	12,962	12,917	12,655	0.3%	2.4%	40,657	40,267	42,194	1.0%	-3.6%
Total Shipping & Package Services	436	446	393	-2.2%	11.1%	1,114	1,114	1,010	0.0%	10.2%
International Total	116	106	114	9.8%	1.8%	266	243	269	9.6%	-1.1%
Total Mail, Shipping & Package Services	13,515	13,469	13,162	0.3%	2.7%	42,038	41,624	43,473	1.0%	-3.3%
Total Workhours (Millions)	101	96	99	4.7%	2.4%	287	280	288	2.6%	-0.4%
Total Career Employees						489,766		522,801		
Total Non-Career Employees						141,560		114,671		

*December 2013 has one less Saturday and one more weekday compared to December 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 December 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)

December 2013

(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***	6,303,764	6,567,011	-4.0%	16,880,004	17,698,699	-4.6%
Revenue	\$2,726,009	\$2,807,619	-2.9%	\$7,290,228	\$7,498,981	-2.8%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,148,424	5,555,249	10.7%	21,993,393	22,621,735	-2.8%
Revenue	\$1,288,952	\$1,148,140	12.3%	\$4,627,817	\$4,633,804	-0.1%
<i>Periodicals:</i>						
Volume***	487,374	507,807	-4.0%	1,564,316	1,640,548	-4.6%
Revenue	\$122,014	\$127,205	-4.1%	\$409,140	\$426,396	-4.0%
<i>Package Services (excludes Standard Post & Commercial Parcel Post):</i>						
Volume***	50,422	51,651	-2.4%	151,488	147,324	2.8%
Revenue	\$73,625	\$77,691	-5.2%	\$208,572	\$207,719	0.4%
Total Mail (excludes all Int'l)						
Volume***	12,962,405	12,655,049	2.4%	40,657,426	42,193,535	-3.6%
Revenue	\$4,409,426	\$4,304,305	2.4%	\$13,054,486	\$13,230,237	-1.3%
Total Shipping & Package Services						
Volume***	436,200	392,686	11.1%	1,113,740	1,010,396	10.2%
Revenue ^^	\$1,731,638	\$1,473,721	17.5%	\$4,079,477	\$3,604,060	13.2%
International Total						
Volume***	116,485	114,434	1.8%	266,334	269,335	-1.1%
Revenue	\$360,149	\$326,852	10.2%	\$866,114	\$831,168	4.2%
Total Mail, Shipping & Package Services						
Volume***	13,515,090	13,162,169	2.7%	42,037,500	43,473,266	-3.3%
Revenue^	\$6,501,213	\$6,104,878	6.5%	\$18,000,077	\$17,665,465	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.

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

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

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USPS Preliminary Expenses (Unaudited)

December 2013

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits*										
City Delivery	\$1,486	\$1,437	\$1,491	3.4%	-0.3%	\$4,268	\$4,207	\$4,438	1.4%	-3.8%
Mail Processing	799	798	815	0.1%	-2.0%	2,199	2,191	2,285	0.4%	-3.7%
Customer Services and Retail	531	518	528	2.4%	0.5%	1,454	1,449	1,497	0.4%	-2.8%
Rural Delivery	564	537	530	5.1%	6.5%	1,620	1,569	1,564	3.3%	3.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	853	841	849	1.5%	0.5%	2,523	2,472	2,555	2.1%	-1.2%
Total Salaries & Benefits	\$4,233	\$4,131	\$4,213	2.5%	0.5%	\$12,064	\$11,888	\$12,339	1.5%	-2.2%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$242	\$246	\$228	-1.7%	6.5%	\$728	\$734	\$678	-0.9%	7.3%
Worker's Compensation Caseload Expenses	106	115	115	-8.0%	-8.2%	324	336	326	-3.8%	-0.6%
All Other Personnel Related Expenses (includes Retirement Incentive)**	14	13	101	13.9%	-85.7%	37	35	128	4.2%	-71.3%
Total Other Personnel Related Expenses	\$362	\$374	\$444	-3.4%	-18.5%	\$1,089	\$1,105	\$1,132	-1.5%	-3.8%
Controllable Personnel Compensation and Benefits	\$4,595	\$4,505	\$4,657	2.0%	-1.3%	\$13,153	\$12,993	\$13,471	1.2%	-2.4%
PSRHBFB Expenses										
Workers' Compensation (a)	\$475	\$475	\$467	0.0%	1.8%	\$1,425	\$1,425	\$1,400	0.0%	1.8%
	(323)	-	(30)	NM	961.8%	(323)	-	(2)	NM	NM
Total Personnel Compensation and Benefits	\$4,747	\$4,980	\$5,094	-4.7%	-6.8%	\$14,255	\$14,418	\$14,869	-1.1%	-4.1%
Non-Personnel Expenses:										
Transportation	\$703	\$740	\$709	-5.1%	-0.9%	\$1,779	\$1,846	\$1,839	-3.6%	-3.3%
Supplies and Services	250	224	210	11.6%	19.1%	616	596	547	3.4%	12.7%
Depreciation and Amortization	155	159	160	-2.8%	-3.4%	463	480	483	-3.5%	-4.1%
Rent	87	85	85	2.7%	3.0%	255	257	251	-0.9%	1.5%
Utilities and Heating Fuel	47	44	45	8.8%	6.6%	139	140	138	-0.5%	1.3%
Vehicle Maintenance Service	97	95	86	1.9%	12.1%	271	252	253	7.2%	6.9%
Information Technology	34	45	31	-24.6%	12.7%	104	124	84	-16.5%	23.0%
Rural Carrier Equipment Maintenance Allowance	49	44	48	11.9%	0.5%	141	151	141	-7.1%	-0.1%
Other**	102	104	130	-2.7%	-21.8%	283	245	274	15.6%	3.2%
Total Non-Personnel Expenses	\$1,524	\$1,540	\$1,504	-1.0%	1.3%	\$4,051	\$4,091	\$4,010	-1.0%	1.0%
Total Operating Expenses	\$6,271	\$6,520	\$6,598	-3.8%	-5.0%	\$18,306	\$18,509	\$18,879	-1.1%	-3.0%
Interest Expense	16	17	16	-5.7%	-2.7%	48	48	50	0.6%	-2.4%
Total Expenses	\$6,287	\$6,537	\$6,614	-3.8%	-4.9%	\$18,354	\$18,557	\$18,929	-1.1%	-3.0%

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USPS Preliminary Workhours (Unaudited)

December 2013

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	35,341	33,399	33,941	5.8%	4.1%	101,775	98,827	100,607	3.0%	1.2%
Mail Processing	20,524	19,078	20,236	7.6%	1.4%	55,435	52,908	55,892	4.8%	-0.8%
Customer Services	13,001	12,371	12,899	5.1%	0.8%	35,712	34,972	36,513	2.1%	-2.2%
Rural Delivery	15,519	14,793	14,957	4.9%	3.8%	45,081	43,874	44,400	2.8%	1.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,468	16,644	16,480	-1.1%	-0.1%	48,688	48,957	50,295	-0.5%	-3.2%
Total Workhours	100,853	96,285	98,513	4.7%	2.4%	286,691	279,538	287,707	2.6%	-0.4%

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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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