

**USPS Preliminary Financial Information (Unaudited)**

**January 2014**

**(\$ Millions)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
<b>Operating Revenue:</b>										
Mail and Services Revenue*	\$5,732	\$5,825	\$5,618	-1.6%	2.0%	\$23,700	\$23,734	\$23,260	-0.1%	1.9%
Government Appropriations	8	10	7	-21.7%	10.6%	35	\$38	24	-6.9%	46.7%
<b>Total Operating Revenue</b>	<b>\$5,740</b>	<b>\$5,835</b>	<b>\$5,625</b>	<b>-1.6%</b>	<b>2.1%</b>	<b>\$23,735</b>	<b>\$23,772</b>	<b>\$23,284</b>	<b>-0.2%</b>	<b>1.9%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,151	\$4,186	\$4,464	-0.8%	-7.0%	\$16,980	\$16,842	\$17,609	0.8%	-3.6%
Workers Compensation Cash Outlays (b)	115	110	104	4.6%	10.3%	439	446	430	-1.7%	2.0%
Transportation	546	566	580	-3.4%	-5.7%	2,325	2,411	2,418	-3.6%	-3.8%
Supplies and Services	214	213	182	0.5%	17.6%	830	809	729	2.6%	13.9%
Other Expenses**	592	592	561	0.0%	5.6%	2,249	2,243	2,186	0.2%	2.9%
<b>Total Controllable Operating Expenses</b>	<b>\$5,618</b>	<b>\$5,667</b>	<b>\$5,891</b>	<b>-0.9%</b>	<b>-4.6%</b>	<b>\$22,823</b>	<b>\$22,751</b>	<b>\$23,372</b>	<b>0.3%</b>	<b>-2.4%</b>
<b>Controllable Operating Income (Loss)</b>	<b>\$122</b>	<b>\$168</b>	<b>(\$266)</b>			<b>\$912</b>	<b>\$1,021</b>	<b>(\$88)</b>		
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.8%	\$1,900	\$1,900	\$1,867	0.0%	1.8%
Workers Compensation (a)	659	-	(310)	NM	NM	336	-	(312)	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$1,012)</b>	<b>(\$307)</b>	<b>(\$423)</b>			<b>(\$1,324)</b>	<b>(\$879)</b>	<b>(\$1,643)</b>		
Interest Income	\$2	\$2	\$2	6.9%	-0.4%	\$8	\$8	\$8	-2.3%	-1.3%
Interest Expense	\$16	\$17	\$16	-5.8%	-1.6%	\$64	\$65	\$66	-1.0%	-2.2%
<b>Net Income (Loss)</b>	<b>(\$1,026)</b>	<b>(\$322)</b>	<b>(\$437)</b>			<b>(\$1,380)</b>	<b>(\$936)</b>	<b>(\$1,701)</b>		
<b>Other Operating Statistics:</b>										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)	12,810	12,929	13,269	-0.9%	-3.5%	53,467	53,196	55,462	0.5%	-3.6%
Total Shipping & Package Services	358	352	320	1.7%	11.7%	1,472	1,466	1,331	0.4%	10.6%
International Total	72	78	80	-7.7%	-9.2%	339	321	349	5.7%	-3.0%
<b>Total Mail, Shipping &amp; Package Services</b>	<b>13,240</b>	<b>13,359</b>	<b>13,669</b>	<b>-0.9%</b>	<b>-3.1%</b>	<b>55,278</b>	<b>54,983</b>	<b>57,142</b>	<b>0.5%</b>	<b>-3.3%</b>
Total Workhours (Millions)	93	92	94	1.0%	-1.0%	380	373	382	1.9%	-0.5%
Total Career Employees						487,637		520,438		
Total Non-Career Employees						127,785		110,662		

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

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

January 2014

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class (excludes all parcels and Int'l):</i>						
Volume***	5,754,793	6,125,238	-6.0%	22,634,797	23,823,937	-5.0%
Revenue	\$2,476,849	\$2,555,661	-3.1%	\$9,767,077	\$10,054,642	-2.9%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,504,894	6,550,489	-0.7%	28,498,287	29,172,224	-2.3%
Revenue	\$1,376,651	\$1,348,425	2.1%	\$6,004,468	\$5,982,229	0.4%
<i>Periodicals:</i>						
Volume***	515,007	555,794	-7.3%	2,079,323	2,196,342	-5.3%
Revenue	\$129,099	\$138,716	-6.9%	\$538,239	\$565,112	-4.8%
<i>Package Services (excludes Standard Post &amp; Commercial Parcel Post):</i>						
Volume***	51,112	48,435	5.5%	202,600	195,759	3.5%
Revenue	\$79,637	\$74,882	6.3%	\$288,209	\$282,601	2.0%
<b>Total Mail (excludes all Int'l)</b>						
Volume***	12,809,783	13,268,434	-3.5%	53,467,210	55,461,970	-3.6%
Revenue	\$4,217,142	\$4,279,456	-1.5%	\$17,271,629	\$17,509,693	-1.4%
<b>Total Shipping &amp; Package Services</b>						
Volume***	357,731	320,200	11.7%	1,471,471	1,330,596	10.6%
Revenue ^^	\$1,286,057	\$1,136,336	13.2%	\$5,365,533	\$4,740,397	13.2%
<b>International Total</b>						
Volume***	72,713	80,038	-9.2%	339,047	349,372	-3.0%
Revenue	\$239,760	\$240,555	-0.3%	\$1,105,874	\$1,071,723	3.2%
<b>Total Mail, Shipping &amp; Package Services</b>						
Volume***	13,240,227	13,668,672	-3.1%	55,277,728	57,141,938	-3.3%
Revenue^	\$5,742,959	\$5,656,347	1.5%	\$23,743,036	\$23,321,813	1.8%

\*\*\*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. The difference in SPLY revenue between Page 2 and Page 1 is due to additional statistical data available at each quarter-end.

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

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

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USPS Preliminary Expenses (Unaudited)

January 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
<b>Personnel Compensation and Benefits:</b>										
Salaries & Benefits*										
City Delivery	\$1,417	\$1,401	\$1,454	1.1%	-2.6%	\$5,684	\$5,607	\$5,892	1.4%	-3.5%
Mail Processing	705	712	740	-1.0%	-4.7%	2,904	2,903	3,025	0.0%	-4.0%
Customer Services and Retail	479	481	500	-0.5%	-4.2%	1,933	1,930	1,996	0.2%	-3.2%
Rural Delivery	530	527	514	0.7%	3.2%	2,150	2,095	2,077	2.6%	3.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	762	799	778	-4.7%	-2.0%	3,286	3,272	3,335	0.4%	-1.5%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,893</b>	<b>\$3,920</b>	<b>\$3,986</b>	<b>-0.7%</b>	<b>-2.3%</b>	<b>\$15,957</b>	<b>\$15,807</b>	<b>\$16,325</b>	<b>0.9%</b>	<b>-2.3%</b>
<b>Other Personnel Related Expenses</b>										
Retiree Health Benefits Current Premiums	\$248	\$256	\$236	-3.1%	5.0%	\$975	\$990	\$914	-1.4%	6.7%
Workers Compensation Cash Outlays (b)	115	110	104	4.6%	10.3%	439	446	430	-1.7%	2.0%
All Other Personnel Related Expenses (includes Retirement Incentive)**	10	10	242	0.9%	-95.7%	48	46	370	5.2%	-87.0%
<b>Total Other Personnel Related Expenses</b>	<b>\$373</b>	<b>\$376</b>	<b>\$582</b>	<b>-0.7%</b>	<b>-35.9%</b>	<b>\$1,462</b>	<b>\$1,482</b>	<b>\$1,714</b>	<b>-1.4%</b>	<b>-14.7%</b>
<b>Total Personnel Compensation and Benefits</b>	<b>\$4,266</b>	<b>\$4,296</b>	<b>\$4,568</b>	<b>-0.7%</b>	<b>-6.6%</b>	<b>\$17,419</b>	<b>\$17,289</b>	<b>\$18,039</b>	<b>0.7%</b>	<b>-3.4%</b>
<b>Controllable Personnel Compensation and Benefits</b>										
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.8%	\$1,900	\$1,900	\$1,867	0.0%	1.8%
Workers' Compensation (a)	659	-	(310)	NM	NM	336	-	(312)	NM	NM
<b>Total Personnel Compensation and Benefits</b>	<b>\$5,400</b>	<b>\$4,771</b>	<b>\$4,725</b>	<b>13.2%</b>	<b>14.3%</b>	<b>\$19,655</b>	<b>\$19,189</b>	<b>\$19,594</b>	<b>2.4%</b>	<b>0.3%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$546	\$566	\$580	-3.4%	-5.7%	\$2,325	\$2,411	\$2,418	-3.6%	-3.8%
Supplies and Services	214	213	182	0.5%	17.6%	830	809	729	2.6%	13.9%
Depreciation and Amortization	157	160	162	-2.1%	-3.0%	620	640	645	-3.3%	-3.9%
Rent	81	87	89	-6.5%	-8.4%	336	344	340	-2.3%	-1.1%
Utilities and Heating Fuel	58	46	51	25.0%	13.9%	197	186	188	5.8%	4.7%
Vehicle Maintenance Service	92	79	90	16.5%	3.0%	363	331	343	9.8%	5.9%
Information Technology	63	106	64	-41.3%	-2.2%	166	230	148	-27.9%	12.1%
Rural Carrier Equipment Maintenance Allowance	45	42	45	8.6%	-0.3%	186	193	186	-3.7%	-0.1%
Other**	97	72	60	35.8%	62.6%	381	318	336	19.7%	13.3%
<b>Total Non-Personnel Expenses</b>	<b>\$1,353</b>	<b>\$1,371</b>	<b>\$1,323</b>	<b>-1.3%</b>	<b>2.2%</b>	<b>\$5,404</b>	<b>\$5,462</b>	<b>\$5,333</b>	<b>-1.1%</b>	<b>1.3%</b>
<b>Total Operating Expenses</b>	<b>\$6,753</b>	<b>\$6,142</b>	<b>\$6,048</b>	<b>9.9%</b>	<b>11.6%</b>	<b>\$25,059</b>	<b>\$24,651</b>	<b>\$24,927</b>	<b>1.7%</b>	<b>0.5%</b>
Interest Expense	16	17	16	-5.8%	-1.6%	64	65	66	-1.0%	-2.2%
<b>Total Expenses</b>	<b>\$6,769</b>	<b>\$6,159</b>	<b>\$6,064</b>	<b>9.9%</b>	<b>11.6%</b>	<b>\$25,123</b>	<b>\$24,716</b>	<b>\$24,993</b>	<b>1.6%</b>	<b>0.5%</b>

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**USPS Preliminary Workhours (Unaudited)**

**January 2014**

**(Thousands)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	33,350	32,379	32,702	3.0%	2.0%	135,172	131,862	133,378	2.5%	1.3%
Mail Processing	17,120	16,914	17,707	1.2%	-3.3%	72,631	70,160	73,652	3.5%	-1.4%
Customer Services	11,572	11,524	12,038	0.4%	-3.9%	47,305	46,792	48,577	1.1%	-2.6%
Rural Delivery	14,765	14,529	14,646	1.6%	0.8%	59,877	58,432	59,033	2.5%	1.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,307	16,853	16,975	-3.2%	-3.9%	65,003	65,540	67,279	-0.8%	-3.4%
<b>Total Workhours</b>	<b>93,114</b>	<b>92,199</b>	<b>94,068</b>	<b>1.0%</b>	<b>-1.0%</b>	<b>379,988</b>	<b>372,786</b>	<b>381,919</b>	<b>1.9%</b>	<b>-0.5%</b>

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**(c) 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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