

USPS Preliminary Financial Information (Unaudited)

March 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue*	\$5,682	\$5,705	\$5,587	-0.4%	1.7%	\$34,656	\$34,745	\$33,968	-0.3%	2.0%
Government Appropriations	22	10	9	109.1%	152.2%	65	\$57	41	15.0%	57.8%
Total Operating Revenue	\$5,704	\$5,715	\$5,596	-0.2%	1.9%	\$34,721	\$34,802	\$34,009	-0.2%	2.1%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,123	\$4,044	\$4,094	2.0%	0.7%	\$24,867	\$24,617	\$25,501	1.0%	-2.5%
Workers Compensation Cash (b)	97	113	101	-13.8%	-4.0%	651	669	638	-2.8%	2.1%
Transportation	540	545	572	-0.9%	-5.6%	3,367	3,462	3,500	-2.8%	-3.8%
Supplies and Services	254	207	231	22.5%	10.0%	1,281	1,200	1,140	6.7%	12.3%
Other Expenses**	692	603	626	14.8%	10.7%	3,478	3,395	3,359	2.4%	3.5%
Total Controllable Operating Expenses	\$5,706	\$5,512	\$5,624	3.5%	1.5%	\$33,644	\$33,343	\$34,138	0.9%	-1.4%
Controllable Operating Income (Loss)	(\$2)	\$203	(\$28)			\$1,077	\$1,459	(\$129)		
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.8%	\$2,850	\$2,850	\$2,800	0.0%	1.8%
Workers Compensation (a)	(25)	-	82	NM	-130.5%	371	-	116	NM	220.3%
Net Operating Income (Loss)	(\$452)	(\$272)	(\$577)			(\$2,144)	(\$1,391)	(\$3,045)		
Interest Income	\$2	\$2	\$2	6.9%	-0.9%	\$12	\$11	\$12	5.1%	-0.7%
Interest Expense	\$15	\$16	\$16	-5.1%	-5.2%	\$94	\$96	\$97	-2.5%	-3.1%
Net Income (Loss)	(\$465)	(\$286)	(\$591)			(\$2,226)	(\$1,476)	(\$3,130)		

Other Operating Statistics:											
Mail Volume: (Millions)											
Total Mail (excludes all Int'l)**		12,522	12,488	12,753	0.3%	-1.8%	77,561	77,058	79,824	0.7%	-2.8%
Total Shipping & Package Services**		331	346	314	-4.4%	5.2%	2,100	2,121	1,930	-1.0%	8.8%
International Total**		68	67	72	1.5%	-4.7%	476	456	495	4.3%	-3.8%
Total Mail, Shipping & Package Services		12,921	12,901	13,139	0.2%	-1.7%	80,137	79,635	82,249	0.6%	-2.6%
Total Workhours (Millions)		94	92	94	2.2%	0.4%	559	548	561	2.0%	-0.3%
Total Career Employees							483,842		497,896		
Total Non-Career Employees							130,301		118,461		

*March 2014 has same number of weekday/delivery days compared to March 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, to be paid in October 2014.

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 March 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 Reports)

March 2014

(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***	5,237,286	5,423,275	-3.4%	32,905,963	34,407,090	-4.4%
Revenue	\$2,374,322	\$2,342,309	1.4%	\$14,423,744	\$14,630,390	-1.4%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,743,057	6,757,276	-0.2%	41,306,830	41,837,426	-1.3%
Revenue	\$1,496,914	\$1,440,958	3.9%	\$8,841,298	\$8,674,710	1.9%
<i>Periodicals:</i>						
Volume***	515,200	533,876	-3.5%	3,043,728	3,244,863	-6.2%
Revenue	\$140,973	\$142,711	-1.2%	\$802,703	\$842,419	-4.7%
<i>Package Services (excludes Standard Post & Commercial Parcel Post):</i>						
Volume***	48,805	50,852	-4.0%	289,037	284,499	1.6%
Revenue	\$70,160	\$70,997	-1.2%	\$417,833	\$416,442	0.3%
Total Mail (excludes all Int'l)						
Volume***	12,522,000	12,753,272	-1.8%	77,561,636	79,824,423	-2.8%
Revenue	\$4,254,477	\$4,139,440	2.8%	\$25,477,076	\$25,483,109	0.0%
Total Shipping & Package Services						
Volume***	330,812	314,430	5.2%	2,099,511	1,929,760	8.8%
Revenue ^^	\$1,195,549	\$1,134,967	5.3%	\$7,672,637	\$6,944,657	10.5%
International Total						
Volume***	68,340	71,678	-4.7%	475,683	494,629	-3.8%
Revenue	\$256,115	\$264,338	-3.1%	\$1,583,015	\$1,592,969	-0.6%
Total Mail, Shipping & Package Services						
Volume***	12,921,152	13,139,380	-1.7%	80,136,830	82,248,812	-2.6%
Revenue^	\$5,706,140	\$5,538,744	3.0%	\$34,732,728	\$34,020,735	2.1%

***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 differences in SPLY and YTD SPLY revenues between Page 2 and Page 1 are 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)

March 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits*										
City Delivery	\$1,424	\$1,421	\$1,456	0.2%	-2.2%	\$8,401	\$8,300	\$8,670	1.2%	-3.1%
Mail Processing	699	680	697	2.8%	0.2%	4,230	4,209	4,360	0.5%	-3.0%
Customer Services and Retail	479	468	461	2.3%	4.0%	2,845	2,826	2,886	0.7%	-1.4%
Rural Delivery	552	537	534	2.8%	3.5%	3,190	3,112	3,081	2.5%	3.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	711	671	699	6.1%	1.7%	4,677	4,600	4,703	1.7%	-0.5%
Total Salaries & Benefits	\$3,865	\$3,777	\$3,847	2.3%	0.5%	\$23,343	\$23,047	\$23,700	1.3%	-1.5%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$249	\$256	\$236	-2.8%	5.3%	\$1,473	\$1,502	\$1,387	-1.9%	6.2%
Workers Compensation Cash (b)	97	113	101	-13.8%	-4.0%	651	669	638	-2.8%	2.1%
All Other Personnel Related Expenses (includes Retirement Incentive)**	10	11	11	-5.0%	-6.4%	51	68	413	-24.3%	-87.6%
Total Other Personnel Related Expenses	\$356	\$380	\$348	-6.4%	2.2%	\$2,175	\$2,239	\$2,438	-2.9%	-10.8%
Controllable Personnel Compensation and Benefits	\$4,221	\$4,157	\$4,195	1.5%	0.6%	\$25,518	\$25,286	\$26,138	0.9%	-2.4%
PSRHBFB Expenses										
Workers' Compensation (a)	(25)	-	82	NM	-130.5%	371	-	116	NM	220.3%
Total Personnel Compensation and Benefits	\$4,671	\$4,632	\$4,744	0.8%	-1.5%	\$28,739	\$28,136	\$29,054	2.1%	-1.1%
Non-Personnel Expenses:										
Transportation	\$540	\$545	\$572	-0.9%	-5.6%	\$3,367	\$3,462	\$3,500	-2.8%	-3.8%
Supplies and Services	254	207	231	22.5%	10.0%	1,281	1,200	1,140	6.7%	12.3%
Depreciation and Amortization	157	159	161	-1.1%	-2.4%	929	958	968	-3.0%	-4.0%
Rent	81	85	84	-4.5%	-3.4%	500	514	508	-2.8%	-1.7%
Utilities and Heating Fuel	64	51	57	24.7%	11.4%	313	283	299	10.5%	4.9%
Vehicle Maintenance Service	99	105	95	-5.9%	3.8%	551	518	521	6.5%	5.9%
Information Technology	50	52	39	-2.7%	29.5%	260	341	226	-23.7%	14.9%
Rural Carrier Equipment Maintenance Allowance	46	43	47	7.6%	-0.6%	273	278	275	-1.9%	-0.5%
Other**	194	108	143	79.1%	35.9%	651	504	563	29.1%	15.7%
Total Non-Personnel Expenses	\$1,485	\$1,355	\$1,429	9.6%	3.9%	\$8,125	\$8,058	\$8,000	0.8%	1.6%
Total Operating Expenses	\$6,156	\$5,987	\$6,173	2.8%	-0.3%	\$36,864	\$36,194	\$37,054	1.9%	-0.5%
Interest Expense	15	16	16	-5.1%	-5.2%	94	96	97	-2.5%	-3.1%
Total Expenses	\$6,171	\$6,003	\$6,189	2.8%	-0.3%	\$36,958	\$36,290	\$37,151	1.8%	-0.5%

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USPS Preliminary Workhours (Unaudited)

March 2014

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	34,039	33,437	33,584	1.8%	1.4%	199,895	195,025	196,901	2.5%	1.5%
Mail Processing	16,678	16,207	17,072	2.9%	-2.3%	104,400	101,087	106,330	3.3%	-1.8%
Customer Services	11,669	11,446	11,643	1.9%	0.2%	69,519	68,511	71,052	1.5%	-2.2%
Rural Delivery	15,311	15,111	15,142	1.3%	1.1%	88,675	86,998	87,469	1.9%	1.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,581	16,067	16,507	3.2%	0.4%	96,566	96,308	99,009	0.3%	-2.5%
Total Workhours	94,278	92,268	93,948	2.2%	0.4%	559,055	547,929	560,761	2.0%	-0.3%

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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.

March 23, 2014 (QT2 FY14): New price category created under Standard Post for Limited Overland Routes. The price category applies to pieces delivered to or from designated ZIP Codes within Alaska not connected by overland routes.

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