

USPS Preliminary Financial Information (Unaudited)

May 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue*	\$5,500	\$5,475	\$5,346	0.5%	2.9%	\$45,951	\$45,934	\$44,776	0.0%	2.6%
Government Appropriations	14	10	9	36.5%	64.4%	92	\$76	59	21.1%	56.1%
Total Operating Revenue	\$5,514	\$5,485	\$5,355	0.5%	3.0%	\$46,043	\$46,010	\$44,835	0.1%	2.7%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,077	\$4,010	\$4,088	1.7%	-0.3%	\$33,003	\$32,607	\$33,655	1.2%	-1.9%
Workers Compensation Cash (b)	154	114	108	35.0%	42.8%	911	895	857	1.8%	6.4%
Transportation	530	537	530	-1.3%	0.1%	4,448	4,547	4,571	-2.2%	-2.7%
Supplies and Services	209	234	198	-10.9%	5.5%	1,708	1,636	1,533	4.4%	11.4%
Other Expenses**	614	628	565	-2.2%	8.6%	4,690	4,597	4,486	2.0%	4.5%
Total Controllable Operating Expenses	\$5,584	\$5,523	\$5,489	1.1%	1.7%	\$44,760	\$44,282	\$45,102	1.1%	-0.8%
Controllable Operating Income (Loss)	(\$70)	(\$38)	(\$134)			\$1,283	\$1,728	(\$267)		
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.8%	\$3,800	\$3,800	\$3,733	0.0%	1.8%
Workers Compensation (a)	245	-	(817)	NM	-130.0%	845	-	(270)	NM	-413.0%
Net Operating Income (Loss)	(\$790)	(\$513)	\$216			(\$3,362)	(\$2,072)	(\$3,730)		
Interest Income	\$2	\$2	\$2	6.9%	3.8%	\$16	\$15	\$16	5.5%	-0.2%
Interest Expense	\$15	\$17	\$16	-9.2%	-6.3%	\$123	\$129	\$128	-4.2%	-3.8%
Net Income (Loss)	(\$803)	(\$528)	\$202			(\$3,469)	(\$2,186)	(\$3,842)		

Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)**	12,366	11,913	12,599	3.8%	-1.8%	102,768	101,434	105,292	1.3%	-2.4%
Total Shipping & Package Services**	317	324	300	-2.1%	5.6%	2,747	2,780	2,534	-1.2%	8.4%
International Total**	68	69	74	-1.1%	-8.3%	611	594	641	2.9%	-4.6%
Total Mail, Shipping & Package Services**	12,751	12,306	12,973	3.6%	-1.7%	106,126	104,808	108,467	1.3%	-2.2%
Total Workhours (Millions)	93	91	93	2.2%	-0.5%	746	731	748	2.0%	-0.4%
Total Career Employees						486200		495540		
Total Non-Career Employees						129632		121894		

*May 2014 has one less weekday and one more Saturday compared to May 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 May 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 (b) (Source: Results derived from reclassified products based on Postal Service Revenue Pieces and Weights Reports)

May 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***	5,245,328	5,460,757	-3.9%	43,600,297	45,315,194	-3.8%
Revenue	\$2,371,186	\$2,359,044	0.5%	\$19,279,300	\$19,355,553	-0.4%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,539,375	6,547,565	-0.1%	54,637,144	55,238,097	-1.1%
Revenue	\$1,433,329	\$1,382,964	3.6%	\$11,771,663	\$11,510,146	2.3%
<i>Periodicals:</i>						
Volume***	546,694	557,720	-2.0%	4,146,034	4,338,170	-4.4%
Revenue	\$146,060	\$144,673	1.0%	\$1,098,726	\$1,128,817	-2.7%
<i>Package Services (excludes Standard Post & Commercial Parcel Post):</i>						
Volume***	43,121	43,380	-0.6%	375,629	372,885	0.7%
Revenue	\$63,329	\$64,523	-1.9%	\$545,544	\$547,069	-0.3%
Total Mail (excludes all Int'l)						
Volume***	12,365,978	12,598,510	-1.8%	102,767,906	105,292,121	-2.4%
Revenue	\$4,158,766	\$4,089,742	1.7%	\$34,007,086	\$33,767,418	0.7%
Total Shipping & Package Services						
Volume***	317,092	300,170	5.6%	2,746,505	2,534,001	8.4%
Revenue ^^	\$1,116,282	\$1,088,981	2.5%	\$9,992,746	\$9,134,208	9.4%
International Total						
Volume***	67,903	74,036	-8.3%	611,374	640,834	-4.6%
Revenue	\$240,955	\$248,821	-3.2%	\$2,059,081	\$2,089,604	-1.5%
Total Mail, Shipping & Package Services						
Volume***	12,750,973	12,972,716	-1.7%	106,125,785	108,466,956	-2.2%
Revenue^	\$5,516,003	\$5,427,544	1.6%	\$46,058,913	\$44,991,230	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. 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)

May 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	\$1,388	\$1,390	\$1,412	-0.2%	-1.7%	\$11,167	\$11,089	\$11,511	0.7%	-3.0%
Mail Processing	666	657	674	1.4%	-1.1%	5,571	5,523	5,713	0.9%	-2.5%
Customer Services and Retail	461	457	457	0.8%	0.8%	3,779	3,744	3,807	0.9%	-0.7%
Rural Delivery	551	538	530	2.5%	4.0%	4,283	4,184	4,136	2.4%	3.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	760	690	768	10.1%	-1.1%	6,166	5,950	6,193	3.6%	-0.4%
Total Salaries & Benefits	\$3,826	\$3,732	\$3,841	2.5%	-0.4%	\$30,966	\$30,490	\$31,360	1.6%	-1.3%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$253	\$266	\$246	-5.1%	2.7%	\$1,977	\$2,025	\$1,870	-2.4%	5.7%
Workers Compensation Cash (b)	154	114	108	35.0%	42.8%	911	895	857	1.8%	6.4%
All Other Personnel Related Expenses (includes Retirement Incentive)**	(2)	12	2	-113.4%	-194.1%	60	92	425	-34.5%	-85.8%
Total Other Personnel Related Expenses	\$405	\$392	\$356	3.3%	13.9%	\$2,948	\$3,012	\$3,152	-2.1%	-6.5%
Controllable Personnel Compensation and Benefits	\$4,231	\$4,124	\$4,197	2.6%	0.8%	\$33,914	\$33,503	\$34,512	1.2%	-1.7%
PSRHBF Expenses										
Workers' Compensation (a)	\$475	\$475	\$467	0.0%	1.8%	\$3,800	\$3,800	\$3,733	0.0%	1.8%
	245	-	(817)	NM	-130.0%	845	-	(270)	NM	-413.0%
Total Personnel Compensation and Benefits	\$4,951	\$4,599	\$3,847	7.7%	28.8%	\$38,559	\$37,303	\$37,975	3.4%	1.5%
Non-Personnel Expenses:										
Transportation	\$530	\$537	\$530	-1.3%	0.1%	\$4,448	\$4,547	\$4,571	-2.2%	-2.7%
Supplies and Services	209	234	198	-10.9%	5.5%	1,708	1,636	1,533	4.4%	11.4%
Depreciation and Amortization	158	158	150	0.2%	5.1%	1,238	1,274	1,278	-2.8%	-3.1%
Rent	80	79	80	0.5%	-1.1%	665	678	670	-1.9%	-0.8%
Utilities and Heating Fuel	49	42	46	16.7%	7.4%	414	369	392	12.1%	5.5%
Vehicle Maintenance Service	93	84	89	10.8%	5.5%	739	685	696	7.9%	6.1%
Information Technology	54	111	40	-51.8%	33.8%	373	518	320	-28.0%	16.6%
Rural Carrier Equipment Maintenance Allowance	47	64	48	-26.2%	-2.3%	367	385	370	-4.8%	-0.9%
Other**	133	90	111	46.4%	19.5%	894	687	760	30.1%	17.6%
Total Non-Personnel Expenses	\$1,353	\$1,399	\$1,292	-3.3%	4.6%	\$10,846	\$10,779	\$10,590	0.6%	2.4%
Total Operating Expenses	\$6,304	\$5,998	\$5,139	5.1%	22.7%	\$49,405	\$48,082	\$48,565	2.8%	1.7%
Interest Expense	15	17	16	-9.2%	-6.3%	123	129	128	-4.2%	-3.8%
Total Expenses	\$6,319	\$6,015	\$5,155	5.1%	22.6%	\$49,528	\$48,211	\$48,693	2.7%	1.7%

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USPS Preliminary Workhours (Unaudited)

May 2014

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	33,564	32,936	33,374	1.9%	0.6%	267,245	261,142	264,182	2.3%	1.2%
Mail Processing	16,137	15,757	16,558	2.4%	-2.5%	136,881	133,158	139,493	2.8%	-1.9%
Customer Services	11,300	11,043	11,432	2.3%	-1.2%	92,461	90,851	94,345	1.8%	-2.0%
Rural Delivery	15,419	15,040	15,079	2.5%	2.3%	119,320	117,174	117,574	1.8%	1.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,249	15,890	16,738	2.3%	-2.9%	129,642	128,704	132,672	0.7%	-2.3%
Total Workhours	92,669	90,666	93,181	2.2%	-0.5%	745,549	731,029	748,266	2.0%	-0.4%

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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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