

USPS Preliminary Financial Information (Unaudited)

August 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue* (c)	\$5,635	\$5,391	\$5,325	4.5%	5.8%	\$62,235	\$62,094	\$60,647	0.2%	2.6%
Government Appropriations	14	10	9	28.9%	56.5%	130	\$104	85	25.0%	53.6%
Total Operating Revenue	\$5,649	\$5,401	\$5,334	4.6%	5.9%	\$62,365	\$62,198	\$60,732	0.3%	2.7%
Operating Expenses:										
Personnel Compensation and Benefits	\$3,997	\$4,146	\$4,126	-3.6%	-3.1%	\$44,898	\$44,723	\$45,612	0.4%	-1.6%
Workers Compensation Cash (b)	126	110	108	14.5%	16.3%	1,292	1,277	1,242	1.2%	4.0%
Transportation	535	550	541	-2.7%	-1.1%	6,044	6,203	6,175	-2.6%	-2.1%
Supplies and Services (c)	179	214	231	-16.5%	-22.6%	2,284	2,365	2,132	-3.4%	7.1%
Other Expenses**	533	612	575	-12.8%	-7.3%	6,382	6,429	6,282	-0.7%	1.6%
Total Controllable Operating Expenses	\$5,370	\$5,632	\$5,581	-4.7%	-3.8%	\$60,900	\$60,997	\$61,443	-0.2%	-0.9%
Controllable Operating Income (Loss)	\$279	(\$231)	(\$247)			\$1,465	\$1,201	(\$711)		
PSRHBFB Expenses	\$475	\$475	\$467	0.0%	1.8%	\$5,225	\$5,225	\$5,133	0.0%	1.8%
Workers Compensation (a)	502	0	(80)	NM	-726.8%	1,338	0	(893)	NM	-249.8%
Net Operating Income (Loss)	(\$698)	(\$706)	(\$634)			(\$5,098)	(\$4,024)	(\$4,951)		
Interest Income	\$2	\$2	\$2	6.9%	1.7%	\$22	\$21	\$22	5.9%	-1.4%
Interest Expense	\$15	\$17	\$16	-11.9%	-3.7%	\$169	\$178	\$176	-5.0%	-3.9%
Net Income (Loss)	(\$711)	(\$721)	(\$648)			(\$5,245)	(\$4,181)	(\$5,105)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)**	12,061	11,898	12,474	1.4%	-3.3%	138,398	136,644	141,266	1.3%	-2.0%
Total Shipping & Package Services**	330	333	314	-0.9%	5.2%	3,690	3,744	3,409	-1.4%	8.2%
International Total**	66	61	66	8.0%	0.7%	806	791	846	1.9%	-4.7%
Total Mail, Shipping & Package Services**	12,457	12,292	12,854	1.3%	-3.1%	142,894	141,179	145,521	1.2%	-1.8%
Total Workhours (Millions) (d)	91	92	94	-1.5%	-3.6%	1,016	1,004	1,022	1.1%	-0.6%
Total Career Employees						487,842		491,880		
Total Non-Career Employees						129,894		126,040		

*August 2014 has one less weekday and one more Sunday compared to August 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.

(c) Plan revenue and expenses have been adjusted to conform to current accounting of negotiated service agreements. These adjustments had no net impact on planned controllable income/(loss) or planned net income / (loss)

(d) Year-to-date Plan excludes 17.2M of unallocated workhours

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 **August 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 (e) (Source: Results derived from reclassified products based on Postal Service Revenue Pieces and Weights Reports)

August 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***	5,005,613	5,144,914	-2.7%	58,980,478	60,835,580	-3.0%
Revenue	\$2,278,043	\$2,201,938	3.5%	\$26,225,707	\$26,001,769	0.9%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,554,635	6,765,896	-3.1%	73,359,432	74,061,879	-0.9%
Revenue	\$1,446,521	\$1,422,997	1.7%	\$15,896,754	\$15,461,537	2.8%
<i>Periodicals:</i>						
Volume***	469,974	529,200	-11.2%	5,577,603	5,861,780	-4.8%
Revenue	\$132,141	\$140,790	-6.1%	\$1,488,996	\$1,522,989	-2.2%
Total Mail (Note 1)						
Volume***	12,060,999	12,473,815	-3.3%	138,398,412	141,266,014	-2.0%
Revenue	\$4,279,480	\$3,973,416	7.7%	\$46,323,139	\$45,670,125	1.4%
<i>Package Services (excludes Standard Post & Commercial Parcel Post):</i>						
Volume***	48,579	47,248	2.8%	497,306	492,042	1.1%
Revenue	\$74,756	\$73,715	1.4%	\$736,971	\$736,116	0.1%
Total Shipping & Package Services (Note 2)						
Volume***	329,869	313,710	5.2%	3,690,202	3,409,082	8.2%
Revenue	\$1,144,694	\$1,127,682	1.5%	\$13,324,095	\$12,311,869	8.2%
International Total						
Volume***	66,612	66,164	0.7%	805,849	845,589	-4.7%
Revenue	\$227,087	\$242,041	-6.2%	\$2,739,977	\$2,786,374	-1.7%
Total Mail, Shipping & Package Services						
Volume***	12,457,479	12,853,689	-3.1%	142,894,463	145,520,686	-1.8%
Revenue (Note 3)	\$5,651,260	\$5,343,140	5.8%	\$62,387,211	\$60,768,367	2.7%

***The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis.

Note 1: Includes Total Market Dominant Services, Other Market Dominant Revenue and excludes all International.

Note 2: Includes Total Competitive Services, Other Competitive Revenue and excludes all International.

Note 3: 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.

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

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USPS Preliminary Expenses (Unaudited)

August 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	\$1,352	\$1,405	\$1,421	-3.8%	-4.8%	\$15,191	\$15,172	\$15,647	0.1%	-2.9%
Mail Processing	652	658	674	-0.9%	-3.3%	7,505	7,451	7,685	0.7%	-2.3%
Customer Services and Retail	448	456	459	-1.8%	-2.4%	5,126	5,084	5,142	0.8%	-0.3%
Rural Delivery	539	543	543	-0.7%	-0.6%	5,886	5,788	5,709	1.7%	3.1%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	739	803	761	-7.9%	-2.9%	8,354	8,267	8,359	1.1%	-0.1%
Total Salaries & Benefits	\$3,730	\$3,865	\$3,857	-3.5%	-3.3%	\$42,062	\$41,762	\$42,542	0.7%	-1.1%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$251	\$266	\$250	-5.6%	0.6%	\$2,733	\$2,824	\$2,606	-3.2%	4.8%
Workers Compensation Cash (b)	126	110	108	14.5%	16.3%	1,292	1,277	1,242	1.2%	4.0%
All Other Personnel Related Expenses (includes Retirement Incentive)**	16	15	17	4.0%	-6.6%	103	137	464	-24.5%	-77.7%
Total Other Personnel Related Expenses	\$393	\$391	\$376	0.4%	4.5%	\$4,128	\$4,238	\$4,312	-2.6%	-4.3%
Controllable Personnel Compensation and Benefits	\$4,123	\$4,256	\$4,233	-3.1%	-2.6%	\$46,190	\$46,000	\$46,854	0.4%	-1.4%
PSRHBF Expenses										
Workers' Compensation (a)	\$475	\$475	\$467	0.0%	1.8%	\$5,225	\$5,225	\$5,133	0.0%	1.8%
Workers' Compensation (a)	502	0	(80)	NM	-726.8%	1,338	0	(893)	NM	-249.8%
Total Personnel Compensation and Benefits	\$5,100	\$4,731	\$4,620	7.8%	10.4%	\$52,753	\$51,225	\$51,094	3.0%	3.2%
Non-Personnel Expenses:										
Transportation	\$535	\$550	\$541	-2.7%	-1.1%	\$6,044	\$6,203	\$6,175	-2.6%	-2.1%
Supplies and Services (c)	179	214	231	-16.5%	-22.6%	2,284	2,365	2,132	-3.4%	7.1%
Depreciation and Amortization	149	169	154	-12.0%	-3.3%	1,692	1,780	1,748	-5.0%	-3.2%
Rent	78	76	79	2.3%	-1.5%	903	921	907	-2.0%	-0.5%
Utilities and Heating Fuel	55	55	61	0.6%	-9.6%	571	512	550	11.7%	3.9%
Vehicle Maintenance Service	91	95	94	-4.2%	-3.3%	1,014	955	957	6.1%	6.0%
Information Technology	40	77	46	-48.6%	-12.9%	516	760	470	-32.2%	9.6%
Rural Carrier Equipment Maintenance Allowance	49	42	50	15.7%	-1.3%	509	514	514	-1.0%	-0.9%
Other**	71	98	93	-27.0%	-23.7%	1,177	986	1,136	19.4%	3.6%
Total Non-Personnel Expenses	\$1,247	\$1,376	\$1,348	-9.3%	-7.4%	\$14,710	\$14,996	\$14,589	-1.9%	0.8%
Total Operating Expenses	\$6,347	\$6,107	\$5,968	3.9%	6.4%	\$67,463	\$66,221	\$65,683	1.9%	2.7%
Interest Expense	15	17	16	-11.9%	-3.7%	169	178	176	-5.0%	-3.9%
Total Expenses	\$6,362	\$6,124	\$5,984	3.9%	6.3%	\$67,632	\$66,399	\$65,859	1.9%	2.7%

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USPS Preliminary Workhours (Unaudited)

August 2014

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	33,009	33,330	34,029	-1.0%	-3.0%	365,159	360,036	362,661	1.4%	0.7%
Mail Processing	15,651	15,858	16,492	-1.3%	-5.1%	183,210	180,951	187,545	1.2%	-2.3%
Customer Services	10,899	10,950	11,452	-0.5%	-4.8%	125,179	123,367	127,621	1.5%	-1.9%
Rural Delivery	15,228	15,220	15,571	0.1%	-2.2%	164,504	162,603	162,541	1.2%	1.2%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	15,922	16,738	16,582	-4.9%	-4.0%	177,773	177,404	181,172	0.2%	-1.9%
Total Workhours (d)	90,709	92,096	94,126	-1.5%	-3.6%	1,015,825	1,004,361	1,021,540	1.1%	-0.6%

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(d) Year-to-date Plan excludes 17.2M of unallocated workhours

(e) 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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