

USPS Preliminary Financial Information (Unaudited)

December 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*	\$6,846	\$7,059	\$6,488	-3.0%	5.5%	\$18,716	\$18,676	\$17,967	0.2%	4.2%
Government Appropriations	17	13	11	30.8%	54.5%	45	40	27	12.5%	66.7%
<b>Total Operating Revenue</b>	<b>\$6,863</b>	<b>\$7,072</b>	<b>\$6,499</b>	<b>-3.0%</b>	<b>5.6%</b>	<b>\$18,761</b>	<b>\$18,716</b>	<b>\$17,994</b>	<b>0.2%</b>	<b>4.3%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,766	\$4,838	\$4,489	-1.5%	6.2%	\$13,179	\$13,336	\$12,830	-1.2%	2.7%
Workers Compensation Cash (b)	122	115	106	6.1%	15.1%	368	339	324	8.6%	13.6%
Transportation	730	680	703	7.4%	3.8%	1,798	1,773	1,779	1.4%	1.1%
Supplies and Services	260	289	250	-10.0%	4.0%	671	703	616	-4.6%	8.9%
Other Expenses**	571	613	570	-6.9%	0.2%	1,615	1,727	1,655	-6.5%	-2.4%
<b>Total Controllable Operating Expenses</b>	<b>\$6,449</b>	<b>\$6,535</b>	<b>\$6,118</b>	<b>-1.3%</b>	<b>5.4%</b>	<b>\$17,631</b>	<b>\$17,878</b>	<b>\$17,204</b>	<b>-1.4%</b>	<b>2.5%</b>
<b>Controllable Operating Income (Loss)</b>	<b>\$414</b>	<b>\$537</b>	<b>\$381</b>			<b>\$1,130</b>	<b>\$838</b>	<b>\$790</b>		
PSRHBF Expenses	\$475	\$475	\$475	0.0%	0.0%	\$1,425	\$1,425	\$1,425	0.0%	0.0%
Workers Compensation (a)	(406)	76	(323)	NMF	25.7%	419	231	(323)	81.4%	NMF
<b>Net Operating Income (Loss)</b>	<b>\$345</b>	<b>(\$14)</b>	<b>\$229</b>			<b>(\$714)</b>	<b>(\$818)</b>	<b>(\$312)</b>		
Interest Income	\$2	\$2	\$2	0.0%	0.0%	\$6	\$6	\$6	0.0%	0.0%
Interest Expense	\$15	\$16	\$16	-6.3%	-6.3%	\$46	\$47	\$48	-2.1%	-4.2%
<b>Net Income (Loss)</b>	<b>\$332</b>	<b>(\$28)</b>	<b>\$215</b>			<b>(\$754)</b>	<b>(\$859)</b>	<b>(\$354)</b>		

<b>Other Operating Statistics:</b>										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)**	13,177	13,361	12,950	-1.4%	1.8%	41,096	39,998	40,644	2.7%	1.1%
Total Shipping & Package Services**	501	513	440	-2.3%	13.9%	1,256	1,230	1,113	2.1%	12.8%
International Total**	118	105	116	12.4%	1.7%	271	237	271	14.3%	0.0%
<b>Total Mail, Shipping &amp; Package Services**</b>	<b>13,796</b>	<b>13,979</b>	<b>13,506</b>	<b>-1.3%</b>	<b>2.1%</b>	<b>42,623</b>	<b>41,465</b>	<b>42,028</b>	<b>2.8%</b>	<b>1.4%</b>
Total Workhours (Millions)	107	105	101	1.9%	5.9%	293	290	287	1.0%	2.1%
Total Career Employees						490,820		489,766		0.2%
Total Non-Career Employees						149,633		141,560		5.7%

\*December 2014 has one more delivery day compared to December 2013.

\*\*Numbers may not add due to rounding and/or adjustments. Percentages calculated using rounded 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.

NMF=Not Meaningful Figure, percentages +/- 200% or greater or division by zero

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 current month 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)

December 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***	6,356,454	6,284,159	1.2%	16,678,882	16,868,179	-1.1%
Revenue	\$2,890,189	\$2,725,888	6.0%	\$7,568,771	\$7,301,277	3.7%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,326,392	6,148,416	2.9%	22,767,291	21,993,393	3.5%
Revenue	\$1,376,321	\$1,289,191	6.8%	\$4,978,858	\$4,627,789	7.6%
<i>Periodicals:</i>						
Volume***	469,148	487,367	-3.7%	1,490,220	1,564,316	-4.7%
Revenue	\$129,383	\$123,208	5.0%	\$413,593	\$409,139	1.1%
<b>Total Mail (Note 1)</b>						
Volume***	13,176,714	12,949,749	1.8%	41,096,251	40,643,684	1.1%
Revenue	\$4,638,108	\$4,411,513	5.1%	\$13,431,557	\$13,067,897	2.8%
<i>Package Services (ex. Inbound Intl. Surface Parcel Post &lt;at UPU Rates&gt;):</i>						
Volume***	53,579	51,397	4.2%	157,866	152,271	3.7%
Revenue	\$78,178	\$77,498	0.9%	\$219,304	\$211,846	3.5%
<b>Total Shipping &amp; Package Services (Note 2)</b>						
Volume***	501,692	440,160	14.0%	1,255,708	1,112,592	12.9%
Revenue	\$1,858,164	\$1,720,216	8.0%	\$4,475,282	\$4,061,492	10.2%
<b>International Total</b>						
Volume***	117,735	116,590	1.0%	271,157	271,438	-0.1%
Revenue	\$368,477	\$349,632	5.4%	\$860,260	\$870,688	-1.2%
<b>Total Mail, Shipping &amp; Package Services</b>						
Volume***	13,796,141	13,506,499	2.1%	42,623,116	42,027,714	1.4%
Revenue (Note 3)	\$6,864,749	\$6,481,361	5.9%	\$18,767,099	\$18,000,077	4.3%

\*\*\*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 revenues between Page 2 and Page 1 are due to additional statistical data available at each quarter-end.

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**USPS Preliminary Expenses (Unaudited)**

**December 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	\$1,597	\$1,629	\$1,486	-2.0%	7.5%	\$4,421	\$4,470	\$4,268	-1.1%	3.6%
Mail Processing	828	849	799	-2.5%	3.6%	2,241	2,295	2,199	-2.4%	1.9%
Customer Services and Retail	567	575	531	-1.4%	6.8%	1,493	1,533	1,454	-2.6%	2.7%
Rural Delivery	626	613	564	2.1%	11.0%	1,706	1,694	1,620	0.7%	5.3%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	880	900	853	-2.2%	3.2%	2,534	2,527	2,523	0.3%	0.4%
<b>Total Salaries &amp; Benefits</b>	<b>\$4,498</b>	<b>\$4,566</b>	<b>\$4,233</b>	<b>-1.5%</b>	<b>6.3%</b>	<b>\$12,395</b>	<b>\$12,519</b>	<b>\$12,064</b>	<b>-1.0%</b>	<b>2.7%</b>
<b>Other Personnel Related Expenses</b>										
Retiree Health Benefits Current Premiums	\$253	\$261	\$242	-3.1%	4.5%	\$759	\$782	\$728	-2.9%	4.3%
Workers Compensation Cash (b)	122	115	106	6.1%	15.1%	368	339	324	8.6%	13.6%
All Other Personnel Related Expenses**	15	11	14	36.4%	7.1%	25	34	37	-26.5%	-32.4%
<b>Total Other Personnel Related Expenses</b>	<b>\$390</b>	<b>\$387</b>	<b>\$362</b>	<b>0.8%</b>	<b>7.7%</b>	<b>\$1,152</b>	<b>\$1,155</b>	<b>\$1,089</b>	<b>-0.3%</b>	<b>5.8%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,888</b>	<b>\$4,953</b>	<b>\$4,595</b>	<b>-1.3%</b>	<b>6.4%</b>	<b>\$13,547</b>	<b>\$13,674</b>	<b>\$13,153</b>	<b>-0.9%</b>	<b>3.0%</b>
<b>PSRHBF Expenses</b>										
PSRHBF Expenses	\$475	\$475	\$475	0.0%	0.0%	\$1,425	\$1,425	\$1,425	0.0%	0.0%
Workers' Compensation (a)	(406)	76	(323)	NMF	25.7%	419	231	(323)	81.4%	NMF
<b>Total Personnel Compensation and Benefits</b>	<b>\$4,957</b>	<b>\$5,504</b>	<b>\$4,747</b>	<b>-9.9%</b>	<b>4.4%</b>	<b>\$15,391</b>	<b>\$15,330</b>	<b>\$14,255</b>	<b>0.4%</b>	<b>8.0%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$730	\$680	\$703	7.4%	3.8%	\$1,798	\$1,773	\$1,779	1.4%	1.1%
Supplies and Services	260	289	250	-10.0%	4.0%	671	703	616	-4.6%	8.9%
Depreciation and Amortization	148	154	155	-3.9%	-4.5%	442	458	463	-3.5%	-4.5%
Rent	93	90	87	3.3%	6.9%	258	255	255	1.2%	1.2%
Utilities and Heating Fuel	53	49	47	8.2%	12.8%	148	150	139	-1.3%	6.5%
Vehicle Maintenance Service	96	104	97	-7.7%	-1.0%	269	283	271	-4.9%	-0.7%
Information Technology	36	59	34	-39.0%	5.9%	112	140	104	-20.0%	7.7%
Rural Carrier Equipment Maintenance Allowance	52	45	49	15.6%	6.1%	143	152	141	-5.9%	1.4%
Other**	93	111	102	-16.2%	-8.8%	243	291	283	-16.5%	-14.1%
<b>Total Non-Personnel Expenses</b>	<b>\$1,561</b>	<b>\$1,581</b>	<b>\$1,524</b>	<b>-1.3%</b>	<b>2.4%</b>	<b>\$4,084</b>	<b>\$4,205</b>	<b>\$4,051</b>	<b>-2.9%</b>	<b>0.8%</b>
<b>Total Operating Expenses</b>	<b>\$6,518</b>	<b>\$7,085</b>	<b>\$6,271</b>	<b>-8.0%</b>	<b>3.9%</b>	<b>\$19,475</b>	<b>\$19,535</b>	<b>\$18,306</b>	<b>-0.3%</b>	<b>6.4%</b>
Interest Expense	15	16	16	-6.3%	-6.3%	46	47	48	-2.1%	-4.2%
<b>Total Expenses</b>	<b>\$6,533</b>	<b>\$7,101</b>	<b>\$6,287</b>	<b>-8.0%</b>	<b>3.9%</b>	<b>\$19,521</b>	<b>\$19,582</b>	<b>\$18,354</b>	<b>-0.3%</b>	<b>6.4%</b>

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**USPS Preliminary Workhours (Unaudited)**

**December 2014**

**(Thousands)**

	Current Period				
	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*					
City Delivery	38,447	37,944	35,341	1.3%	8.8%
Mail Processing	21,195	20,812	20,524	1.8%	3.3%
Customer Services	13,976	13,699	13,001	2.0%	7.5%
Rural Delivery	17,169	16,536	15,519	3.8%	10.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,626	16,503	16,468	0.7%	1.0%
<b>Total Workhours</b>	<b>107,413</b>	<b>105,494</b>	<b>100,853</b>	<b>1.8%</b>	<b>6.5%</b>

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
City Delivery	106,124	103,997	101,775	2.0%	4.3%
Mail Processing	55,622	55,610	55,435	0.0%	0.3%
Customer Services	36,376	36,782	35,712	-1.1%	1.9%
Rural Delivery	47,007	46,120	45,081	1.9%	4.3%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	47,988	47,557	48,688	0.9%	-1.4%
<b>Total Workhours</b>	<b>293,117</b>	<b>290,066</b>	<b>286,691</b>	<b>1.1%</b>	<b>2.2%</b>

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