

**USPS Preliminary Financial Information (Unaudited)**

**May 2015**

**(\$ Millions)**

	Current Period				
	Actual	Plan	SPLY	% Plan	% SPLY
<b>Operating Revenue:</b>					
Mail and Services Revenue*	\$5,372	\$5,393	\$5,500	-0.4%	-2.3%
Government Appropriations	11	12	14	-8.3%	-21.4%
<b>Total Operating Revenue</b>	<b>\$5,383</b>	<b>\$5,405</b>	<b>\$5,514</b>	<b>-0.4%</b>	<b>-2.4%</b>
<b>Operating Expenses:</b>					
Personnel Compensation and Benefits**(c)	\$4,087	\$4,062	\$4,077	0.6%	0.2%
Workers Compensation Cash (b)	154	159	154	-3.1%	0.0%
Transportation	518	554	530	-6.5%	-2.3%
Supplies and Services	223	234	209	-4.7%	6.7%
Other Expenses**	527	615	614	-14.3%	-14.2%
<b>Total Controllable Operating Expenses</b>	<b>\$5,509</b>	<b>\$5,624</b>	<b>\$5,584</b>	<b>-2.1%</b>	<b>-1.3%</b>
<b>Controllable Operating Income (Loss)</b>	<b>(\$126)</b>	<b>(\$219)</b>	<b>(\$70)</b>		
PSRHBF Expenses	\$475	\$475	\$475	0.0%	0.0%
Workers Compensation (a)	(189)	77	245	NMF	-177.1%
<b>Net Operating Income (Loss)</b>	<b>(\$412)</b>	<b>(\$771)</b>	<b>(\$790)</b>		
Interest Income	\$2	\$2	\$2	0.0%	0.0%
Interest Expense	\$16	\$17	\$15	-5.9%	6.7%
<b>Net Income (Loss)</b>	<b>(\$426)</b>	<b>(\$786)</b>	<b>(\$803)</b>		

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
Mail and Services Revenue*	\$46,717	\$46,972	\$45,951	-0.5%	1.7%
Government Appropriations	105	100	92	5.0%	14.1%
<b>Total Operating Revenue</b>	<b>\$46,822</b>	<b>\$47,072</b>	<b>\$46,043</b>	<b>-0.5%</b>	<b>1.7%</b>
Personnel Compensation and Benefits**(c)	\$33,808	\$33,827	\$33,004	-0.1%	2.4%
Workers Compensation Cash (b)	952	953	911	-0.1%	4.5%
Transportation	4,453	4,529	4,448	-1.7%	0.1%
Supplies and Services	1,781	1,889	1,708	-5.7%	4.3%
Other Expenses**	4,338	4,755	4,689	-8.8%	-7.5%
<b>Total Controllable Operating Expenses</b>	<b>\$45,332</b>	<b>\$45,953</b>	<b>\$44,760</b>	<b>-1.4%</b>	<b>1.3%</b>
<b>Controllable Operating Income (Loss)</b>	<b>\$1,490</b>	<b>\$1,119</b>	<b>\$1,283</b>		
PSRHBF Expenses	\$3,800	\$3,800	\$3,800	0.0%	0.0%
Workers Compensation (a)	361	616	845	-41.4%	-57.3%
<b>Net Operating Income (Loss)</b>	<b>(\$2,671)</b>	<b>(\$3,297)</b>	<b>(\$3,362)</b>		
Interest Income	\$16	\$16	\$16	0.0%	0.0%
Interest Expense	\$123	\$126	\$123	-2.4%	0.0%
<b>Net Income (Loss)</b>	<b>(\$2,778)</b>	<b>(\$3,407)</b>	<b>(\$3,469)</b>		

<b>Other Operating Statistics:</b>					
<b>Mail Volume: (Millions)</b>					
Total Mail (excludes all Int'l)**	11,717	11,512	12,356	1.8%	-5.2%
Total Shipping & Package Services**	363	344	313	5.5%	16.0%
International Total**	87	67	70	29.9%	24.3%
<b>Total Mail, Shipping &amp; Package Services**</b>	<b>12,167</b>	<b>11,923</b>	<b>12,739</b>	<b>2.0%</b>	<b>-4.5%</b>
Total Workhours (Millions)	91	90	93	1.1%	-2.2%
Total Career Employees					
Total Non-Career Employees					

Total Mail (excludes all Int'l)**	101,606	100,408	102,687	1.2%	-1.1%
Total Shipping & Package Services**	3,097	3,058	2,736	1.3%	13.2%
International Total**	647	581	628	11.4%	3.0%
<b>Total Mail, Shipping &amp; Package Services**</b>	<b>105,350</b>	<b>104,047</b>	<b>106,051</b>	<b>1.3%</b>	<b>-0.7%</b>
Total Workhours (Millions)	755	750	746	0.7%	1.2%
Total Career Employees	490,064		486,200		0.8%
Total Non-Career Employees	130,634		129,632		0.8%

\*May 2015 has one less delivery day and one less retail day as compared to May 2014.

\*\*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.

(c) Plan expenses were reduced to reflect Tier 2 employee savings of \$64 million in May and \$375 million year-to-date.

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)

**May 2015**

(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): (Note 4)</i>						
Volume***	4,949,987	5,240,648	-5.5%	42,605,181	43,539,126	-2.1%
Revenue	\$2,238,730	\$2,367,792	-5.5%	\$19,280,859	\$19,263,533	0.1%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,229,018	6,542,974	-4.8%	54,735,446	54,644,706	0.2%
Revenue	\$1,363,287	\$1,433,995	-4.9%	\$12,002,347	\$11,772,913	1.9%
<i>Periodicals:</i>						
Volume***	508,573	536,629	-5.2%	3,961,418	4,125,755	-4.0%
Revenue	\$134,416	\$145,555	-7.7%	\$1,071,302	\$1,097,708	-2.4%
<b>Total Mail (Note 1)</b>						
Volume***	11,717,539	12,355,503	-5.2%	101,605,584	102,687,242	-1.1%
Revenue	\$3,932,489	\$4,149,151	-5.2%	\$33,959,147	\$33,983,175	-0.1%
<i>Package Services (ex. Inbound Intl. Surface Parcel Post &lt;at UPU Rates&gt; &amp; select Standard Post):</i>						
Volume***	47,179	42,950	9.8%	388,726	376,314	3.3%
Revenue	\$64,133	\$63,031	1.7%	\$550,175	\$549,336	0.2%
<b>Total Shipping &amp; Package Services (Note 2)</b>						
Volume***	362,502	313,165	15.8%	3,097,375	2,735,613	13.2%
Revenue	\$1,242,676	\$1,104,331	12.5%	\$10,896,181	\$9,964,577	9.3%
<b>International Total</b>						
Volume***	86,704	70,193	23.5%	647,344	628,072	3.1%
Revenue	\$210,070	\$251,633	-16.5%	\$1,982,495	\$2,089,384	-5.1%
<b>Total Mail, Shipping &amp; Package Services</b>						
Volume***	12,166,745	12,738,861	-4.5%	105,350,303	106,050,927	-0.7%
Revenue (Note 3)	\$5,385,235	\$5,505,115	-2.2%	\$46,837,823	\$46,037,136	1.7%

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

*This monthly PRC report is based on the original RPW methodology. Beginning Q2 FY2015 the 10-Q is based on a NEW RPW methodology pending PRC approval. Hence the Revenue and Volume numbers by individual category will not be the same in the two reports.*

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**USPS Preliminary Expenses (Unaudited)**

**May 2015**

**(\$ 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	\$1,373	\$1,365	\$1,388	0.6%	-1.1%	\$11,422	\$11,493	\$11,167	-0.6%	2.3%
Mail Processing	680	668	666	1.8%	2.1%	5,715	5,671	5,571	0.8%	2.6%
Operations - Customer Service	489	497	461	-1.6%	6.1%	3,975	3,978	3,779	-0.1%	5.2%
Rural Delivery	548	538	551	1.9%	-0.5%	4,446	4,409	4,283	0.8%	3.8%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**(c)	724	711	760	1.8%	-4.7%	6,123	6,058	6,166	1.1%	-0.7%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,814</b>	<b>\$3,779</b>	<b>\$3,826</b>	<b>0.9%</b>	<b>-0.3%</b>	<b>\$31,681</b>	<b>\$31,609</b>	<b>\$30,966</b>	<b>0.2%</b>	<b>2.3%</b>
<b>Other Personnel Related Expenses</b>										
Retiree Health Benefits Current Premiums	\$260	\$272	\$253	-4.4%	2.8%	\$2,060	\$2,125	\$1,977	-3.1%	4.2%
Workers Compensation Cash (b)	154	159	154	-3.1%	0.0%	952	953	911	-0.1%	4.5%
All Other Personnel Related Expenses**	13	11	(2)	18.2%	NMF	67	93	61	-28.0%	9.8%
<b>Total Other Personnel Related Expenses</b>	<b>\$427</b>	<b>\$442</b>	<b>\$405</b>	<b>-3.4%</b>	<b>5.4%</b>	<b>\$3,079</b>	<b>\$3,171</b>	<b>\$2,949</b>	<b>-2.9%</b>	<b>4.4%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,241</b>	<b>\$4,221</b>	<b>\$4,231</b>	<b>0.5%</b>	<b>0.2%</b>	<b>\$34,760</b>	<b>\$34,780</b>	<b>\$33,915</b>	<b>-0.1%</b>	<b>2.5%</b>
<b>PSRHF Expenses</b>	<b>\$475</b>	<b>\$475</b>	<b>\$475</b>	<b>0.0%</b>	<b>0.0%</b>	<b>\$3,800</b>	<b>\$3,800</b>	<b>\$3,800</b>	<b>0.0%</b>	<b>0.0%</b>
Workers' Compensation (a)	(189)	77	245	NMF	-177.1%	361	616	845	-41.4%	-57.3%
<b>Total Personnel Compensation and Benefits</b>	<b>\$4,527</b>	<b>\$4,773</b>	<b>\$4,951</b>	<b>-5.2%</b>	<b>-8.6%</b>	<b>\$38,921</b>	<b>\$39,196</b>	<b>\$38,560</b>	<b>-0.7%</b>	<b>0.9%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$518	\$554	\$530	-6.5%	-2.3%	\$4,453	\$4,529	\$4,448	-1.7%	0.1%
Supplies and Services	223	234	209	-4.7%	6.7%	1,781	1,889	1,708	-5.7%	4.3%
Depreciation and Amortization	147	155	158	-5.2%	-7.0%	1,163	1,237	1,238	-6.0%	-6.1%
Rent	80	81	80	-1.2%	0.0%	669	680	665	-1.6%	0.6%
Utilities and Heating Fuel	45	52	49	-13.5%	-8.2%	413	432	414	-4.4%	-0.2%
Vehicle Maintenance Service	85	98	93	-13.3%	-8.6%	694	775	739	-10.5%	-6.1%
Information Technology	46	67	54	-31.3%	-14.8%	358	465	373	-23.0%	-4.0%
Rural Carrier Equipment Maintenance Allowance	37	64	47	-42.2%	-21.3%	347	390	367	-11.0%	-5.4%
Other**	87	98	133	-11.2%	-34.6%	694	776	893	-10.6%	-22.3%
<b>Total Non-Personnel Expenses</b>	<b>\$1,268</b>	<b>\$1,403</b>	<b>\$1,353</b>	<b>-9.6%</b>	<b>-6.3%</b>	<b>\$10,572</b>	<b>\$11,173</b>	<b>\$10,845</b>	<b>-5.4%</b>	<b>-2.5%</b>
<b>Total Operating Expenses</b>	<b>\$5,795</b>	<b>\$6,176</b>	<b>\$6,304</b>	<b>-6.2%</b>	<b>-8.1%</b>	<b>\$49,493</b>	<b>\$50,369</b>	<b>\$49,405</b>	<b>-1.7%</b>	<b>0.2%</b>
Interest Expense	16	17	15	-5.9%	6.7%	123	126	123	-2.4%	0.0%
<b>Total Expenses</b>	<b>\$5,811</b>	<b>\$6,193</b>	<b>\$6,319</b>	<b>-6.2%</b>	<b>-8.0%</b>	<b>\$49,616</b>	<b>\$50,495</b>	<b>\$49,528</b>	<b>-1.7%</b>	<b>0.2%</b>

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**USPS Preliminary Workhours (Unaudited)**

**May 2015**

**(Thousands)**

	Current Period				
	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*					
City Delivery	32,764	32,949	33,564	-0.6%	-2.4%
Mail Processing	16,214	15,678	16,137	3.4%	0.5%
Customer Services	12,151	11,953	11,300	1.7%	7.5%
Rural Delivery	15,232	14,836	15,419	2.7%	-1.2%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	14,492	14,740	16,249	-1.7%	-10.8%
<b>Total Workhours</b>	<b>90,853</b>	<b>90,156</b>	<b>92,669</b>	<b>0.8%</b>	<b>-2.0%</b>

	Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY
City Delivery	273,163	271,535	267,245	0.6%	2.2%
Mail Processing	138,177	136,627	136,881	1.1%	0.9%
Customer Services	98,236	98,697	92,461	-0.5%	6.2%
Rural Delivery	122,480	121,176	119,320	1.1%	2.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	123,232	122,269	129,642	0.8%	-4.9%
<b>Total Workhours</b>	<b>755,288</b>	<b>750,304</b>	<b>745,549</b>	<b>0.7%</b>	<b>1.3%</b>

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