

USPS Preliminary Financial Information (Unaudited)

September 2014

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue* (d)	\$5,453	\$5,773	\$6,581	-5.5%	-17.1%	\$67,687	\$67,866	\$67,229	-0.3%	0.7%
Government Appropriations	12	10	4	20.0%	200.0%	143	114	89	25.4%	60.7%
Total Operating Revenue	\$5,465	\$5,783	\$6,585	-5.5%	-17.0%	\$67,830	\$67,980	\$67,318	-0.2%	0.8%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,087	\$4,061	\$3,946	0.6%	3.6%	\$48,986	\$48,784	\$49,558	0.4%	-1.2%
Workers Compensation Cash (b)	104	117	107	-11.1%	-2.8%	1,372	1,394	1,351	-1.6%	1.6%
Transportation	542	556	534	-2.5%	1.5%	6,586	6,759	6,735	-2.6%	-2.2%
Supplies and Services	266	285	293	-6.7%	-9.2%	2,550	2,651	2,400	-3.8%	6.3%
Other Expenses**	420	647	491	-35.1%	-14.5%	6,802	7,074	6,774	-3.8%	0.4%
Total Controllable Operating Expenses	\$5,419	\$5,666	\$5,371	-4.4%	0.9%	\$66,296	\$66,662	\$66,818	-0.5%	-0.8%
Controllable Operating Income (Loss)	\$46	\$117	\$1,214			\$1,534	\$1,318	\$500		
PSRHBFB Expenses	\$475	\$475	\$467	0.0%	1.7%	\$5,700	\$5,700	\$5,600	0.0%	1.8%
Workers Compensation (a)	(179)	-	606	NM	NM	1,182	-	(290)	NM	NM
Net Operating Income (Loss)	(\$250)	(\$358)	\$141			(\$5,348)	(\$4,382)	(\$4,810)		
Interest Income	\$2	\$2	\$2	0.0%	0.0%	\$24	\$23	\$24	4.3%	0.0%
Interest Expense	\$15	\$16	\$15	-6.3%	0.0%	\$184	\$194	\$191	-5.2%	-3.7%
Net Income (Loss)	(\$263)	(\$372)	\$128			(\$5,508)	(\$4,553)	(\$4,977)		

Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mail (excludes all Int'l)**	12,063	12,375	12,338	-2.5%	-2.2%	150,461	149,019	153,605	1.0%	-2.0%
Total Shipping & Package Services**	324	341	306	-5.0%	6.1%	4,015	4,085	3,715	-1.7%	8.1%
International Total**	93	82	57	13.8%	63.4%	899	873	902	2.9%	-0.4%
Total Mail, Shipping & Package Services**	12,480	12,798	12,701	-2.5%	-1.7%	155,375	153,977	158,222	0.9%	-1.8%
Total Workhours (Millions) (c)	91	91	88	0.2%	3.2%	1,107	1,097	1,110	0.9%	-0.3%
Total Career Employees						488,300		491,016		
Total Non-Career Employees						129,577		126,697		

*September 2014 has one more weekday / delivery day compared to September 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.

(c) Year-to-date Plan excludes 22.9M hours of unallocated workhour savings.

(d) SPLY revenue on page 1 includes accounting change in estimate of approximately \$1.3 billion related to Forever Stamps.

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 September 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. Further, this information is considered preliminary as the FY 2014 is subject to additional audit procedures related to the cyber intrusion incident.

Mail Volume and Mail Revenue (Source: Results derived from reclassified products based on Postal Service Revenue Pieces and Weights Reports)

September 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***	4,622,846	4,918,212	-6.0%	63,603,324	65,753,792	-3.3%
Revenue	\$2,109,189	\$2,108,463	0.0%	\$28,334,895	\$28,110,232	0.8%
<i>Standard Mail (excludes all parcels and Int'l):</i>						
Volume***	6,952,120	6,744,090	3.1%	80,311,552	80,805,968	-0.6%
Revenue	\$1,531,951	\$1,453,356	5.4%	\$17,428,704	\$16,914,893	3.0%
<i>Periodicals:</i>						
Volume***	467,112	497,193	-6.1%	6,044,715	6,358,973	-4.9%
Revenue	\$136,344	\$135,174	0.9%	\$1,625,340	\$1,658,164	-2.0%
Total Mail (Note 1)						
Volume***	12,062,823	12,338,654	-2.2%	150,461,235	153,604,668	-2.0%
Revenue	\$3,982,362	\$3,938,067	1.1%	\$50,305,501	\$49,608,192	1.4%
<i>Package Services (ex. Inbound Intl. Surface Parcel Post <at UPU Rates>):</i>						
Volume***	52,010	49,786	4.5%	549,316	541,828	1.4%
Revenue	\$80,818	\$74,150	9.0%	\$817,788	\$810,266	0.9%
Total Shipping & Package Services (Note 2)						
Volume***	324,600	305,980	6.1%	4,014,802	3,715,063	8.1%
Revenue	\$1,200,860	\$1,090,254	10.1%	\$14,524,956	\$13,402,123	8.4%
International Total						
Volume***	92,846	56,826	63.4%	898,695	902,416	-0.4%
Revenue	\$283,887	\$229,395	23.8%	\$3,023,864	\$3,015,768	0.3%
Total Mail, Shipping & Package Services						
Volume***	12,480,269	12,701,461	-1.7%	155,374,732	158,222,147	-1.8%
Revenue (Note 3) (e)	\$5,467,109	\$5,257,716	4.0%	\$67,854,320	\$66,026,083	2.8%

***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) SPLY revenue on page 2 excludes a change in accounting estimate of approximately \$1.3 billion related to Forever Stamps.

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USPS Preliminary Expenses (Unaudited)

September 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	\$1,355	\$1,404	\$1,317	-3.5%	2.9%	\$16,546	\$16,576	\$16,965	-0.2%	-2.5%
Mail Processing	665	665	669	0.0%	-0.6%	8,171	8,116	8,353	0.7%	-2.2%
Customer Services and Retail	458	453	443	1.1%	3.4%	5,583	5,537	5,585	0.8%	0.0%
Rural Delivery	535	528	501	1.3%	6.8%	6,421	6,316	6,210	1.7%	3.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	791	727	743	8.8%	6.5%	9,145	8,994	9,102	1.7%	0.5%
Total Salaries & Benefits	\$3,804	\$3,777	\$3,673	0.7%	3.6%	\$45,866	\$45,539	\$46,215	0.7%	-0.8%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$253	\$267	\$243	-5.2%	4.1%	\$2,985	\$3,091	\$2,850	-3.4%	4.7%
Workers Compensation Cash (b)	104	117	107	-11.1%	-2.8%	1,372	1,394	1,351	-1.6%	1.6%
All Other Personnel Related Expenses (includes Retirement Incentive)**	30	17	29	76.5%	3.4%	134	154	493	-13.0%	-72.8%
Total Other Personnel Related Expenses	\$387	\$401	\$379	-3.5%	2.1%	\$4,491	\$4,639	\$4,694	-3.2%	-4.3%
Controllable Personnel Compensation and Benefits	\$4,191	\$4,178	\$4,052	0.3%	3.4%	\$50,357	\$50,178	\$50,909	0.4%	-1.1%
PSRHBF Expenses	\$475	\$475	\$467	0.0%	1.7%	\$5,700	\$5,700	\$5,600	0.0%	1.8%
Workers' Compensation (a)	(179)	-	606	NM	NM	1,182	-	(290)	NM	NM
Total Personnel Compensation and Benefits	\$4,487	\$4,653	\$5,125	-3.6%	-12.4%	\$57,239	\$55,878	\$56,219	2.4%	1.8%
Non-Personnel Expenses:										
Transportation	\$542	\$556	\$534	-2.5%	1.5%	\$6,586	\$6,759	\$6,735	-2.6%	-2.2%
Supplies and Services	266	285	293	-6.7%	-9.2%	2,550	2,651	2,400	-3.8%	6.3%
Depreciation and Amortization	151	172	154	-12.2%	-1.9%	1,843	1,952	1,901	-5.6%	-3.1%
Rent	83	81	78	2.5%	6.4%	986	1,001	985	-1.5%	0.1%
Utilities and Heating Fuel	56	49	48	14.3%	16.7%	627	560	598	12.0%	4.8%
Vehicle Maintenance Service	95	108	84	-12.0%	13.1%	1,108	1,063	1,040	4.2%	6.5%
Information Technology	80	87	63	-8.0%	27.0%	596	847	534	-29.6%	11.6%
Rural Carrier Equipment Maintenance Allowance	47	43	44	9.3%	6.8%	556	557	558	-0.2%	-0.4%
Other**	(92)	107	22	-186.0%	-518.2%	1,087	1,094	1,158	-0.6%	-6.1%
Total Non-Personnel Expenses	\$1,228	\$1,488	\$1,320	-17.5%	-7.0%	\$15,939	\$16,484	\$15,909	-3.3%	0.2%
Total Operating Expenses	\$5,715	\$6,141	\$6,445	-6.9%	-11.3%	\$73,178	\$72,362	\$72,128	1.1%	1.5%
Interest Expense	15	16	15	-6.3%	0.0%	184	194	191	-5.2%	-3.7%
Total Expenses	\$5,730	\$6,157	\$6,460	-6.9%	-11.3%	\$73,362	\$72,556	\$72,319	1.1%	1.4%

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USPS Preliminary Workhours (Unaudited)

September 2014

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours*										
City Delivery	32,784	33,083	31,258	-0.9%	4.9%	397,989	394,019	393,986	1.0%	1.0%
Mail Processing	15,902	16,076	16,241	-1.1%	-2.1%	199,133	197,307	203,802	0.9%	-2.3%
Customer Services	11,081	10,868	10,820	2.0%	2.4%	136,267	134,459	138,477	1.3%	-1.6%
Rural Delivery	14,934	14,673	14,112	1.8%	5.8%	179,466	177,126	176,697	1.3%	1.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration**	16,289	16,128	15,762	1.0%	3.3%	194,086	194,012	196,868	0.0%	-1.4%
Total Workhours (c)	90,990	90,828	88,193	0.2%	3.2%	1,106,941	1,096,923	1,109,830	0.9%	-0.3%

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