

Financial Results

Quarter 1 of Fiscal Year 2014

February 7, 2014



A Deep Financial Hole

December 2013

- Liabilities exceed assets by approx. \$40 billion
- The USPS has only 36 cents of assets to cover each dollar of its liabilities

ASSETS		LIABILITIES	
Unrestricted Cash	\$ 3.8B	Retiree Health Benefits	\$18.1B
Buildings & Equipment, net of depreciation	\$17.2B	Workers' Compensation	\$15.9B
Other Assets	\$ 1.8B	Debt	\$15.0B
		Accrued Compensation, benefits, and leave	\$ 4.9B
		Deferred Revenue	\$ 3.8B
		Other	\$ 5.3B
Total Assets	\$22.8B	Total Liabilities	\$63.0B

- Under multi-employer accounting rules, there are approximately \$50B in obligations not shown on the balance sheet.
 - Significant profits over years and legislation are needed to recover.



Financial Results

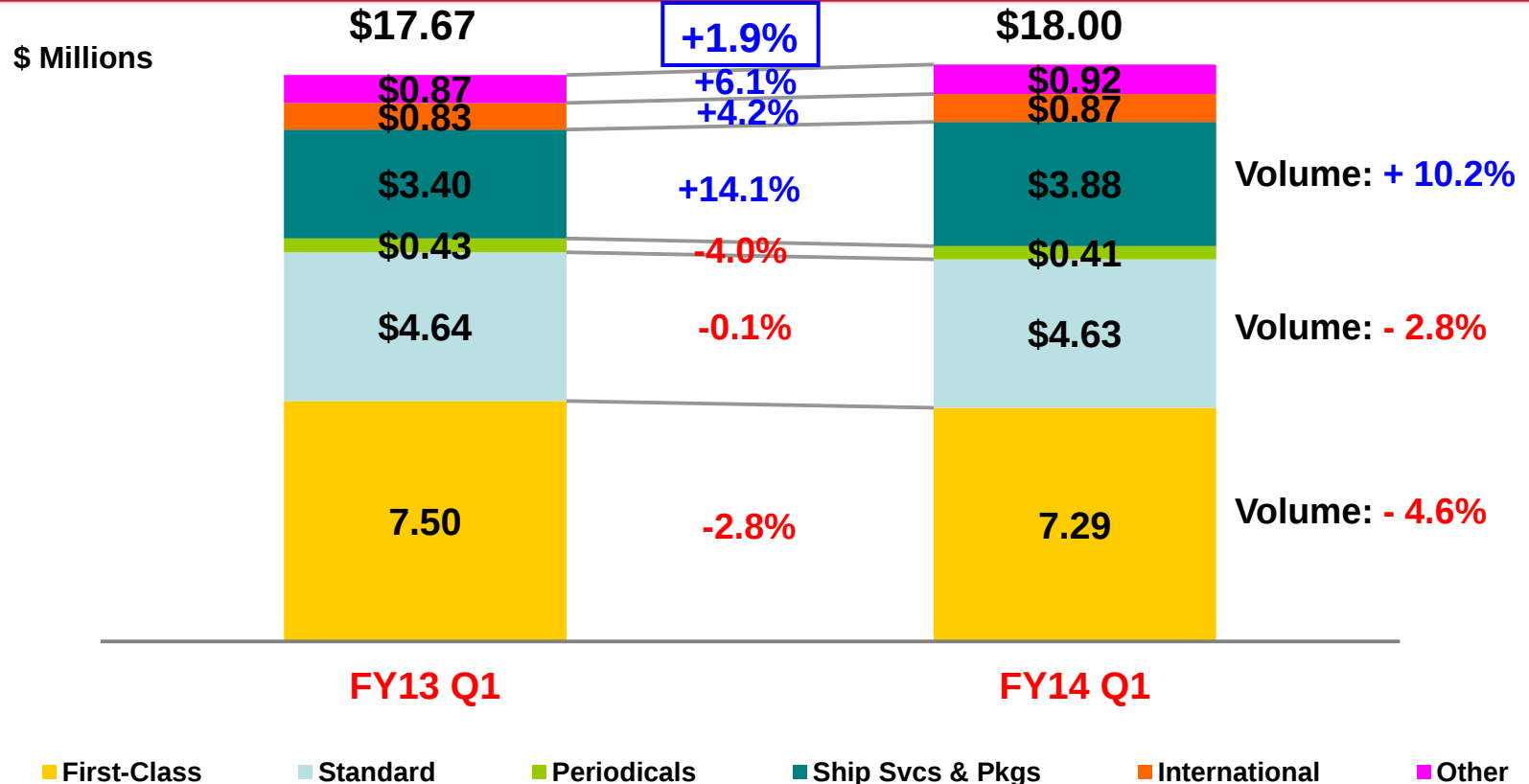
Quarter 1 YTD - 3 months (Billions)	FY 2014	FY 2013
Revenue	\$18.0	\$17.6
Expenses*	17.3	17.4
Separation Costs	<u>-</u>	<u>0.1</u>
Operating Income (Loss)*	0.7	0.1
Retiree Health Benefits Pre-Funding	(1.4)	(1.4)
Workers' Comp. Fair Value Adj.	0.5	0.2
Workers' Comp. Other Non-Cash Adj.	<u>(0.2)</u>	<u>(0.2)</u>
Net Income (Loss)	<u>(\$0.4)</u>	<u>(\$1.3)</u>
Liquidity Days (of oper. cash)	14	10
Volume (Pieces)	42.0	43.5

- * Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.
- Retail and Delivery days were equal to FY2013.



Total Revenue

FY2013 Q1 vs. FY2014 Q1



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Operating Expenses

Quarter 1 YTD - 3 months (Billions)	FY 2014	FY 2013
Compensation	\$ 9.3	\$ 9.5
Benefits	3.8	3.9
Transportation	1.8	1.8
Depreciation	0.5	0.5
Supplies & Services	0.6	0.5
Rent, Utilities & Other	1.3	1.2
Operating Expenses *	\$ 17.3	\$ 17.4
Workhours (millions)	287	288

* Excludes RHB pre-funding, non-cash adjustments to workers' compensation liabilities, and separation incentive costs.

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Questions ?

**Please Press *1 On Your
Telephone Keypad**



Complete Financial results are in the Form 10-Q:
<http://about.usps.com/who-we-are/financials/welcome.htm>

Additional questions can be emailed to:
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