

United States Postal Service®

INDUSTRY ALERT

August 11, 2016

USPS Financial Results

Shipping revenue rises 18 percent

The Postal Service has reported operating revenue of \$16.6 billion for fiscal 2016's third quarter (April 1-June 30), excluding a \$1.1 billion change-in-accounting estimate recorded during the quarter.

Shipping and package revenue grew by \$645 million, or 18 percent, when compared to the same period last year.

"We continue to post double-digit gains in package volume and are well-positioned operationally for further growth," said PMG Megan J. Brennan. "Our capital investments are enabling increased efficiencies across the enterprise and improving experiences for our customers."

Revenues were approximately \$450 million less than they otherwise would have been during the quarter because of the expiration of the exigent surcharge April 10.

USPS also suffered a third-quarter controllable loss of \$552 million compared to a controllable loss of \$197 million for the same period last year.

Calculation of the controllable loss takes into account the impact of operational expenses, including compensation and benefits, but it does not reflect factors such as the legally mandated expense to prefund retiree health benefits or the change-in-accounting estimate.

The third-quarter net loss was \$1.6 billion, an increase of \$981 million compared to the same period last year. The majority of this change resulted from an adjustment to workers' compensation liability due to declining interest rates.

Operating expenses increased in the third quarter compared to the same period last year.

In addition to the increase in workers' compensation expense, labor costs increased by \$387 million, largely due to the increase in shipping and packages volume, and transportation costs increased by \$97 million.

The Aug. 9 [news release](#) has more information, and complete financial results are in the [Form 10-Q](#).

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