FY2014 MAY HIGHLIGHTS

Ridership and Revenue

Metrorail

May rail ridership was 18.1 million: 1.4 million below budget and 0.4 million below May last year.

- The FY2014 budget assumed six months of revenue service for the Silver Line to Wiehle Avenue beginning in January 2014, with net additional ridership of 0.7 million trips per month. Due to the delay of the Silver Line, this negative ridership variance will continue during the second half of the year until the Silver Line opens.
- Despite modest increases in weekend ridership, average weekday ridership in May declined by approximately one percent compared to last year. In addition to the impact of the reduced federal transit subsidy, anecdotal evidence suggests that increasing usage of telecommuting and alternative work schedule (AWS) options is having an impact on Metro's overall ridership. Metro staff will be undertaking a broad-based assessment of telework in the Washington region with the goals of providing a strategic overview to the Board and informing future ridership forecasts.

Metrobus

May bus ridership was 11.8 million: 0.3 million above budget and marginally lower than May last year.

- Bus ridership continues to track closely to budget both month-to-month and overall, with additional ridership from DC's "Kids Ride Free" program for school students compensating for some of the ridership lost when the Metrobus system was forced to suspend service due to severe weather.

MetroAccess

May MetroAccess ridership was 191,000: 17,000 above budget and 7,000 above May last year.

- After being depressed by severe weather and suspensions of service through March, MetroAccess has continued its ridership rebound in Q4, with total trips above budget by 10 percent for the month and above last year by 4 percent.

Operating Revenue

Total operating revenue in May was $73.5 million: $5.5 million below budget, or -7.0 percent.

- Passenger fares and parking fees were $5.3 million below budget in May as a result of the delayed Silver Line opening as well as generally weaker Metrorail ridership. Non-transit sources were also $0.2 million below budget during the month.
- For the year to date, operating revenues are $32.8 million below budget:
    - Passenger fares and parking fees are below budget by $36.0 million. This is primarily the result of the October government shutdown, severe winter weather, and the delay of Silver Line service. Altogether, the revenue impact of these three challenges has been approximately $32 million. However, the general weakness in rail ridership has also had a negative impact.
    - Non-transit revenues are $3.1 million above budget through May. Metro received a one-time insurance payment in the second quarter that boosted non-transit revenues, and positive performances in fiber optic and advertising revenues have been partially offset by a negative variance in joint development lease revenue.

Operating Expenses

May year-to-date operating expenses are favorable to budget by $14.6 million or 1.0 percent.

Salaries and Wages

- Salaries and Wages are favorable year-to-date by $5.9 million or 1.0 percent, primarily due to Authority-wide vacancy levels. The vacancy rate at the end of April was 9.2 percent. The favorability was partially offset by higher personnel expenses associated with the new Collective Bargaining Agreements.
- Year-to-date overtime through April is $1.1 million lower than the same period last year. Year-to-date overtime is $15.8 million over budget primarily due to Car Maintenance (CMNT) 2K, 3K and 5K work, vacancy coverage,

leave coverage, and special events.

- Fringe benefits are $8.8 million over budget year-to-date, of which $2.3 million is the result of higher than expected D.C. workers' compensation assessment costs (due to the unpredictability of the assessment billing, it is difficult to anticipate payments); $4.8 million of the unfavorability is due to a higher allocation for fringe benefits from overages in operating labor; and $1.7 million is due to higher than projected defined contribution pension cost due to the Local 2 settlement.

Materials and Supplies

- Materials and Supplies are $15.5 million unfavorable year-to-date mainly due to a $12.2 million negative variance associated with the maintenance on the 2K, 3K and 5K railcars, and Bus overruns of $7.2 million as a result of accidents and vandalism. The overruns are partially offset by favorability in Financial Services (CFO), Communications (CSCM) and Safety (SAFE).

Services

- Services expenses are $25.6 million favorable year-to-date due in part to lower than anticipated expenses related to a contract closeout in the Safety Department (SAFE), which is favorable by $6.0 million. Other contributors to favorability include the timing of various contract actions: a Treasury contract settlement of $4.0 million; Transit Infrastructure and Engineering Services (TIES) contracts of $5.3 million, which includes Plant (PLNT), System Maintenance (SMNT) and Car Maintenance (CMNT); contract services procurements for DGMO of $2.1 million; Bus Services (BUS) contracts of $1.4 million; CSCM contracts of $1.0 million; and the reversal of a contract accrual in Access Services (ACCS).

Fuel, Propulsion, and Utilities

- Fuel, Propulsion, and Utilities are favorable to budget by $21.7 million year-to-date due to lower than projected power consumption, favorable diesel rates in Metro's hedges, the 6 month CNG tax credit, and a delay in the Silver Line service. Of the variance, approximately $5.3 million is due to price favorability, $12.7 million is due to lower volume, $0.7 million due to favorability in other lubricants and $0.8 million due to the CNG credit. The Silver Line service favorability of $2.9 million is included in the rate and volume variance above. The CNG tax credit incentive program was not extended by the U.S. Congress after December 2013; therefore, the monthly accrual of $0.3 million has been dropped for the remainder of the fiscal year.

Capital Program

Metro has invested $593 million of the $996 million FY2014 Capital Improvement Program (CIP) budget through May, which is $59 million less than was invested in the same period last year. This decline is partially the result of the new bus contract, which provides for full payment upon acceptance of buses instead of periodic milestone/progress payments. All figures below are year to date:

Grant Closure

- As of the end of May, Metro has closed 17 Federal Transit Administration (FTA) grants in FY2014.

Bus Acquisition

- As of the end of May, 11 new forty-foot hybrid-electric buses have been received under the current multi-year contract. The total order for FY2014 is 85 buses to replace current vehicles at the end of their useful life. Metro has also purchased 35 acres of land at Andrews Federal Campus in District Heights to build a replacement facility for Southern Avenue bus garage.

Access Vehicle Replacement

- As of the end of May, 79 replacement vans have been received (out of 120 under contract) and 30 are in service.

Escalator and Elevator Rehabilitation and Replacement

- Twenty-one out of 33 planned escalator rehabilitations are complete and seven in progress. Seven out of 10 escalator replacements are complete and three are in progress.
- Twelve out of 19 planned elevator rehabilitations are complete and two are in progress.

Station Rehabilitation and Lighting Improvements

- Nine of the 12 planned full station enhancement projects are complete and three are in progress. Nine of the 12 planned mini station enhancements are complete and three are in progress.
- Metro awarded a multi-year contract for the replacement of over 13,000 parking garage light fixtures in 25

parking facilities.
- Metro began installing new, brighter mezzanine lighting at underground stations. Lighting upgrades have been completed at 24 stations. The remaining 23 stations are expected to be completed by 2015.

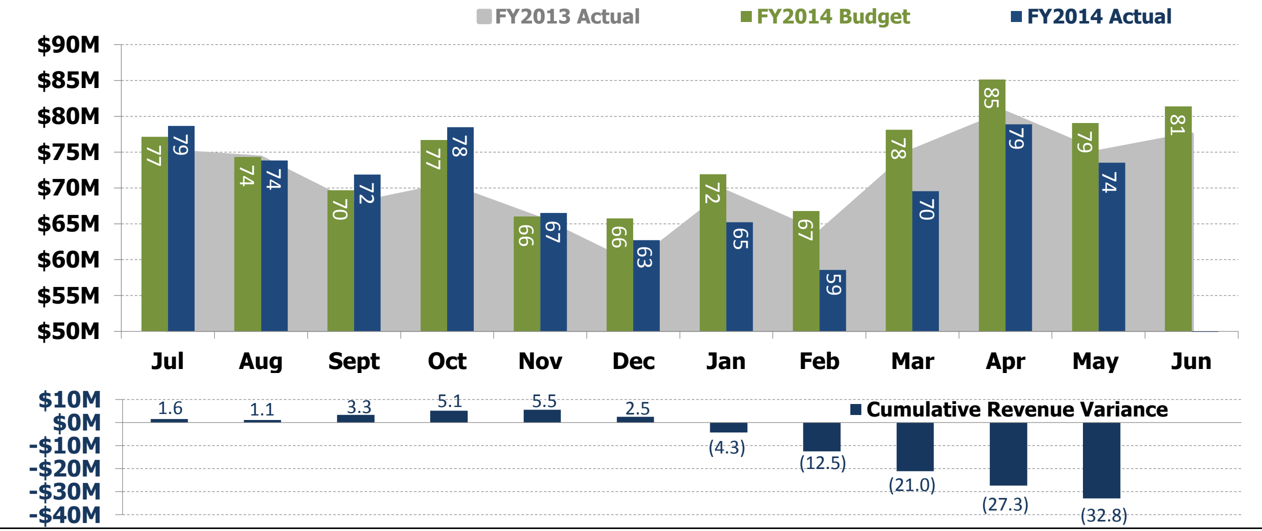
Track Rehabilitation
- In FY2014, Metro has performed rehabilitation on 33.62 of the planned 40 miles of track, welded 653 open weld joints, rehabilitated 7,748 linear feet of grout pads, repaired 2,336 leaks, and replaced 12.17 miles of running rail, 3.67 miles of third rail, 12,686 cross ties, 28,708 fasteners, 7,687 insulators, 31 yard turnouts, 10 mainline turnouts, and 1,705 safety signs.

Benefits to Customers
- *Testing of new 7000-Series railcars*: The new railcars are equipped with state-of-the-art safety technology and numerous features designed with extensive customer input. Metro plans to accept and test 64 new 7000-Series railcars associated with required expansion of the fleet to support the Silver Line in FY2015. The first 7000-Series railcars to replace the existing 1000 Series railcars are planned to be delivered to Metro at the end of FY2015.
- *Replacing Metro's existing fare collection system:* The new state-of-the-art system will enable customers to continue to use their SmarTrip cards while expanding fare payment to chip-enabled credit cards, identification cards, and mobile phones using near field communications. Work on the pilot program is now underway and is scheduled to be completed at the end of FY2015.

REVENUE AND RIDERSHIP

May FY2014

REVENUE (in Millions)

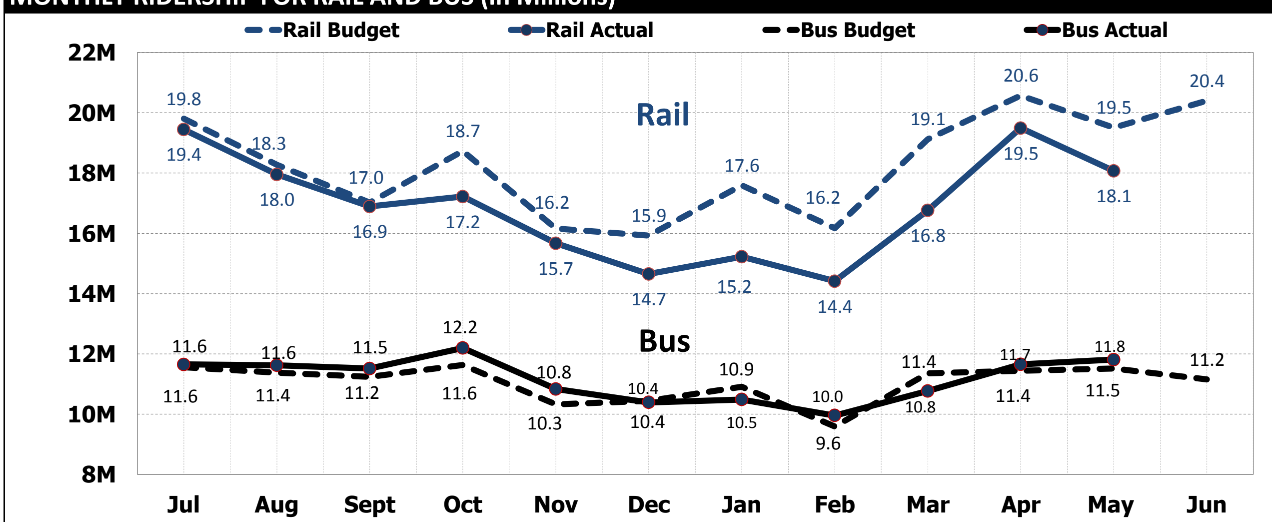


RIDERSHIP (trips in Thousands)

MTD	May-FY2013	May-FY2014		Variance FY14	
	Actual	Actual	Budget	Prior Year	Budget
Metrorail	18,489	18,072	19,507	-2.3%	-7.4%
Metrobus	11,889	11,809	11,520	-0.7%	2.5%
MetroAccess	183	191	174	4.0%	9.6%
System Total	**30,562**	**30,072**	**31,202**	**-1.6%**	**-3.6%**

YTD	FY2013	FY2014		Variance FY14	
	Actual	Actual	Budget	Prior Year	Budget
Metrorail	191,025	185,804	198,903	-2.7%	-6.6%
Metrobus	121,040	122,888	121,403	1.5%	1.2%
MetroAccess	1,864	1,940	1,834	4.1%	5.7%
System Total	**313,929**	**310,632**	**322,141**	**-1.1%**	**-3.6%**

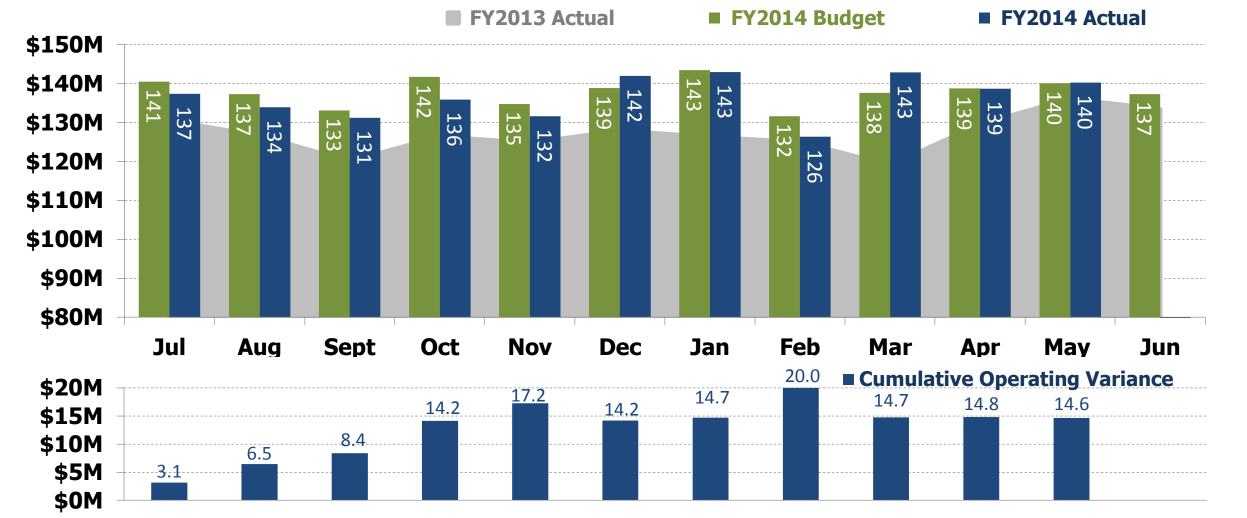
MONTHLY RIDERSHIP FOR RAIL AND BUS (in Millions)



OPERATING BUDGET

May FY2014

OPERATING EXPENDITURES ($ in Millions)

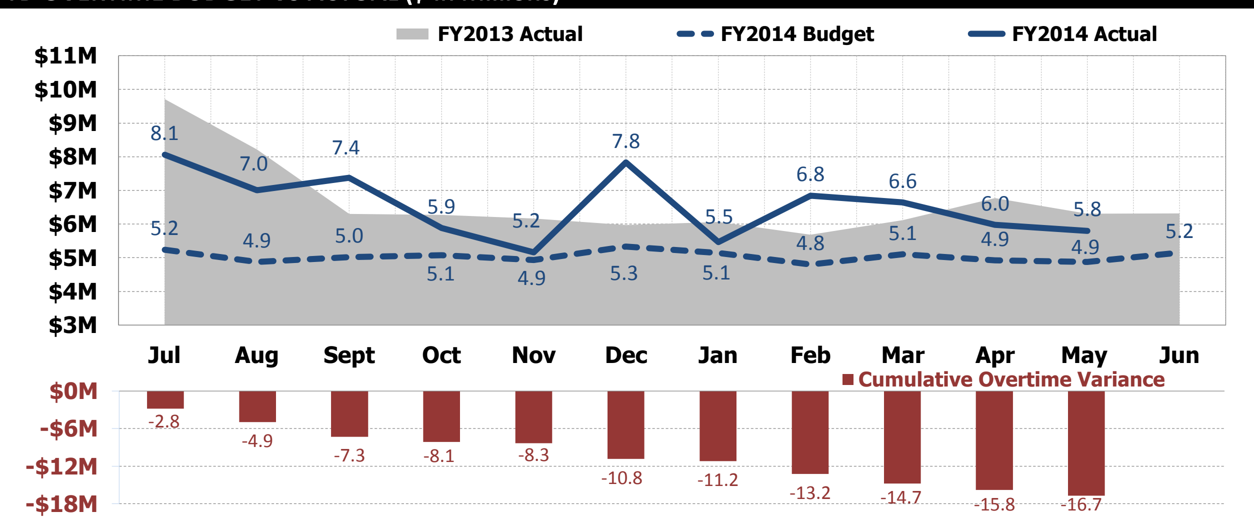


OPERATING BUDGET ($ in Millions)

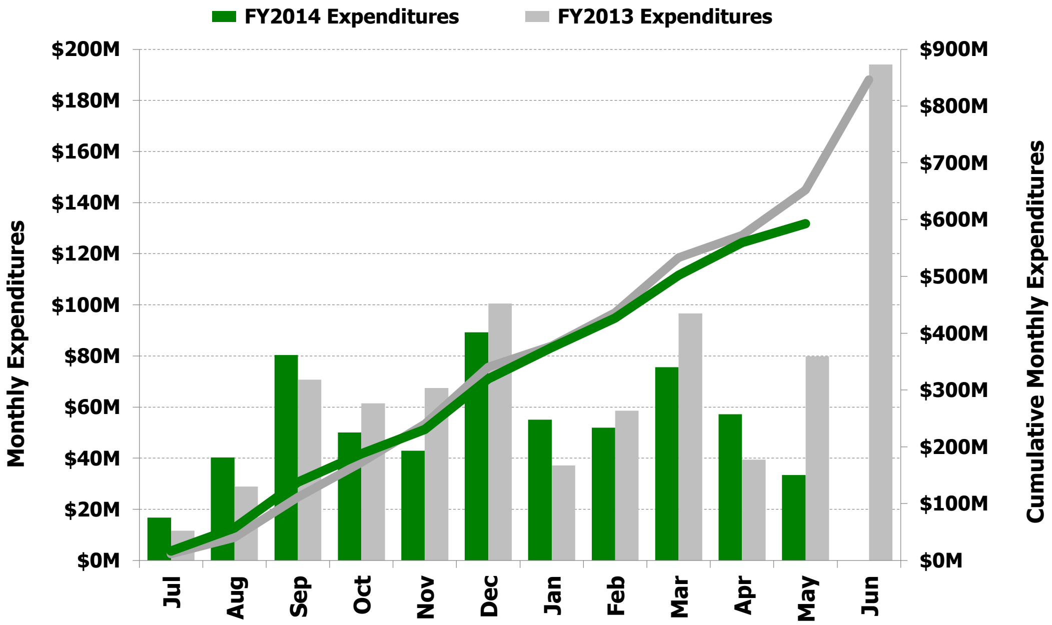
MTD	May-FY2013 Actual	May-FY2014 Actual	May-FY2014 Budget	Variance FY14 $	Variance FY14 Percent
Revenue	$ 75.0	$ 73.5	$ 79.1	$ (5.5)	-7.0%
Expense	$ 131.1	$ 140.3	$ 140.1	$ (0.2)	-0.1%
Subsidy	$ 56.1	$ 66.7	$ 61.0	$ (5.7)	-9.3%
Cost Recovery	57.2%	52.4%	56.4%		

YTD	FY2013 Actual	FY2014 Actual	FY2014 Budget	Variance FY14 $	Variance FY14 Percent
Revenue	$ 776.2	$ 777.8	$ 810.7	$ (32.8)	-4.1%
Expense	$ 1,387.2	$ 1,503.3	$ 1,517.9	$ 14.6	1.0%
Subsidy	$ 611.0	$ 725.5	$ 707.3	$ (18.2)	-2.6%
Cost Recovery	56.0%	51.7%	53.4%		

YTD OVERTIME BUDGET VS ACTUAL ($ in Millions)



CIP EXPENDITURES ($ in Millions)



FY2014 USES OF FUNDS ($ in Millions)

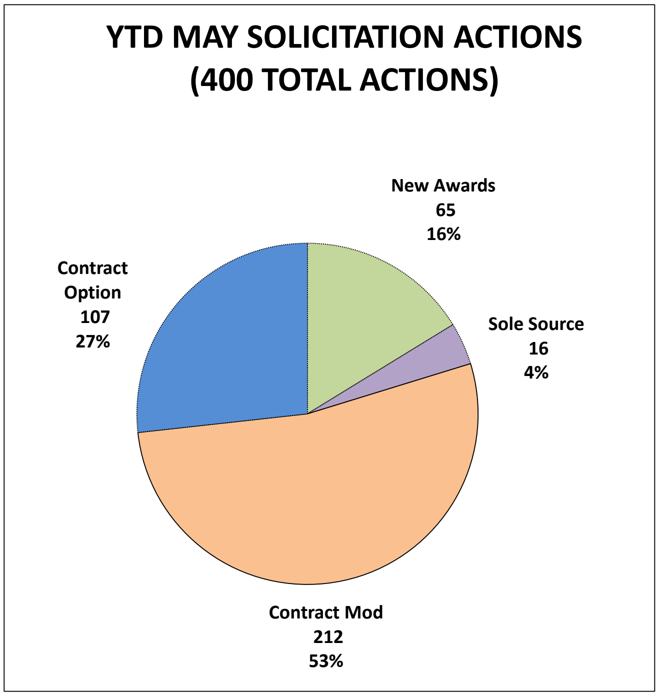
	Budget	Forecast	Expended	% Exp.
FY2014 CIP	$ 996	$ 845	$ 593	60%
Safety & Security	10	10	5	48%
ARRA	4	4	4	89%
Reimbursable	69	69	46	66%
Total	**$ 1,079**	**$ 928**	**$ 647**	**60%**

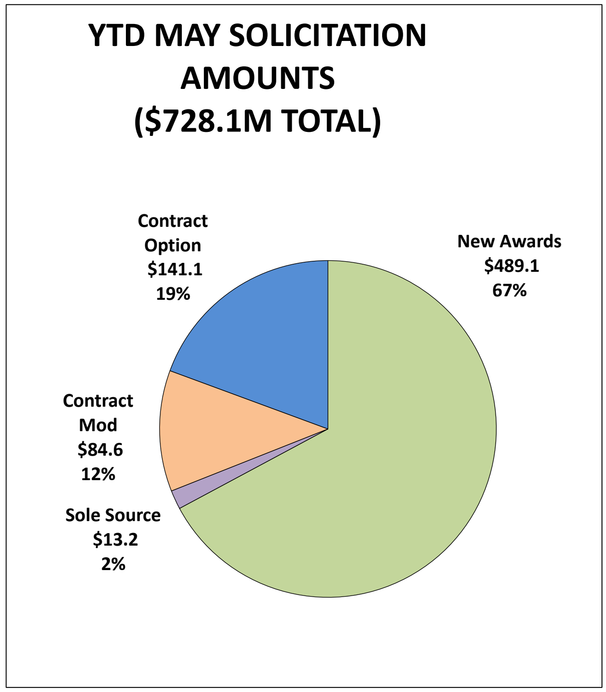
FY2014 PLANNED SOURCES OF FUNDS ($ in Millions)

CIP	Planned	Received*
Federal Reimbursement	$ 476	$ 27
State and Local	345	345
Other Sources/Rollover	24	24
Subtotal	**$ 845**	**$ 397**
Safety & Security	$ 10	$ 7
ARRA	4	4
Reimbursable	69	11
Subtotal	**$ 83**	**$ 22**
Total	**$ 928**	**$ 419**

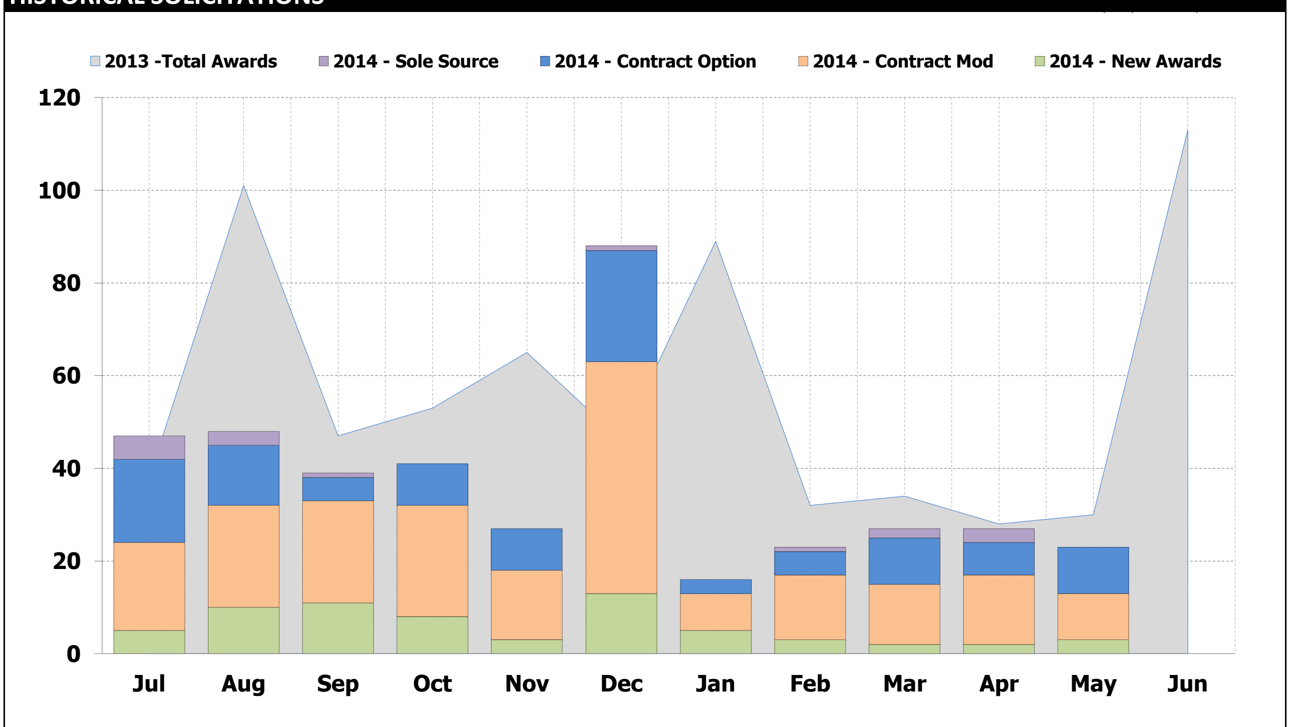
*Received sources planned to be used for the FY2014 CIP

SOLICITATION ACTIONS



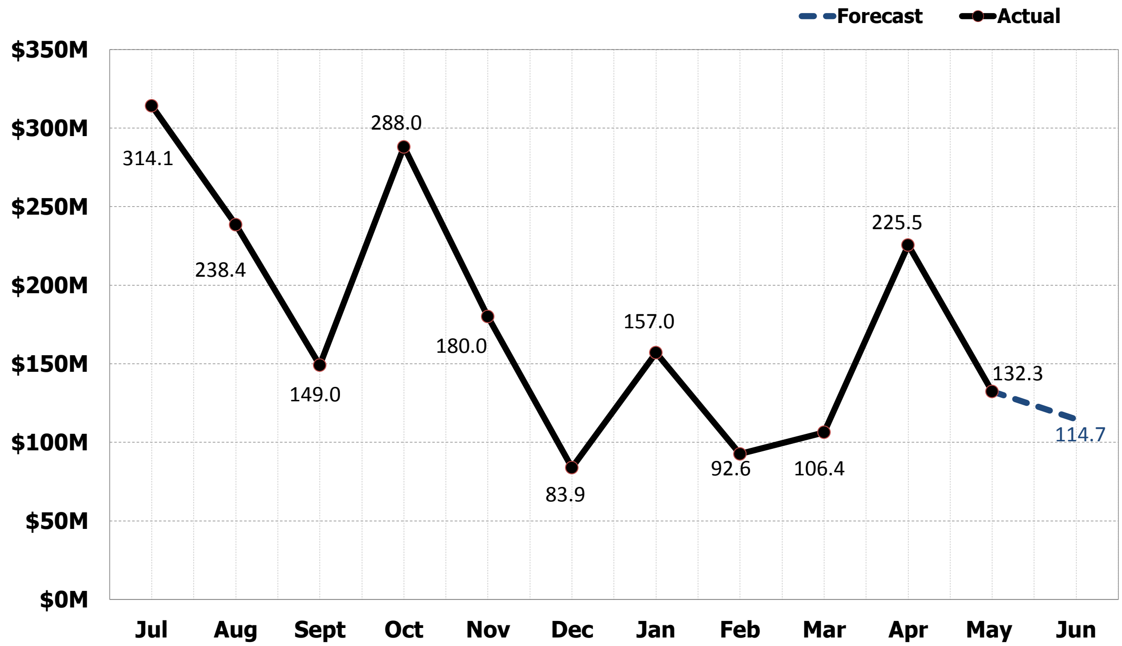


HISTORICAL SOLICITATIONS

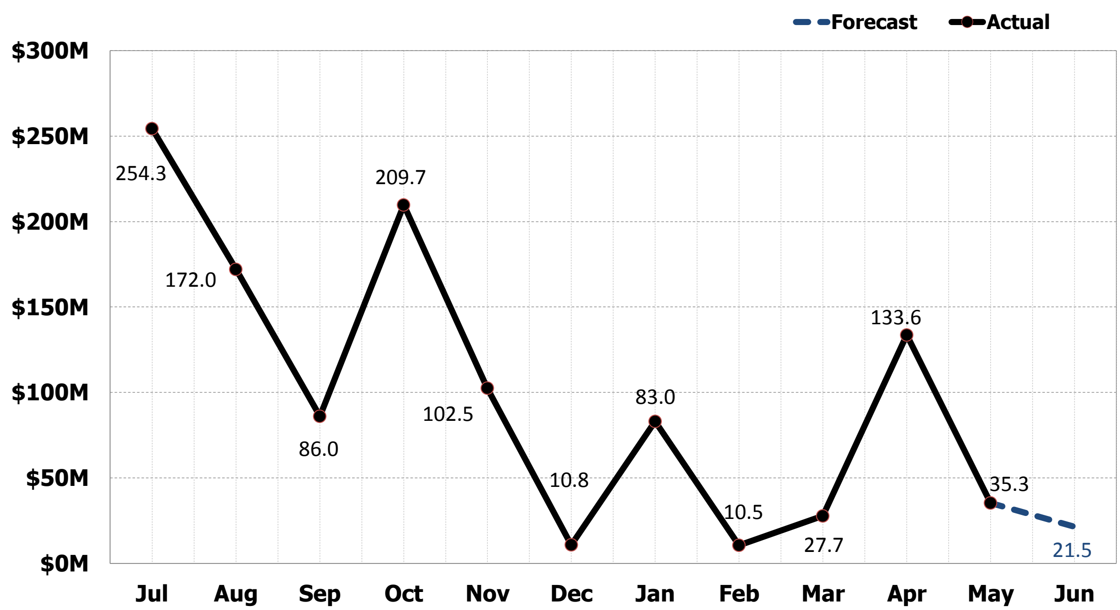


Note: *'Contract Mod' includes any written alteration in the specifications, delivery point, frequency of delivery, period of performance, price, quantity, or other provisions of the contract.*

TOTAL CASH (RESTRICTED and UNRESTRICTED)



UNRESTRICTED CASH



NOTE: Unrestricted Cash Balance included a $45 million draw on WMATA's Line of Credit in December (repaid in January), a $55 million draw in February and an additional $40 million in March. Metro anticipates a further draw of $75 million in June, yielding an outstanding line of credit balance of approximately $170 million of the $302.5 million line of credit capacity currently available.

OPERATING FINANCIALS

May FY2014

MONTHLY RESULTS					FISCAL YEAR 2014	YEAR-TO-DATE RESULTS				
Prior Year	Current Year				Dollars in Millions	Prior Year	Current Year			
Actual	Actual	Budget	Variance			Actual	Actual	Budget	Variance	
					Passenger Revenue					
$54.1	$51.9	$57.5	($5.6)	-10%	Metrorail	$553.4	$540.8	$579.5	($38.6)	-7%
12.2	12.1	12.5	(0.4)	-3%	Metrobus	127.2	128.6	129.1	(0.4)	0%
0.7	0.6	0.7	(0.0)	-4%	MetroAccess	7.6	6.9	7.1	(0.2)	-3%
4.1	4.0	3.9	0.1	3%	Parking	41.9	42.2	43.1	(0.8)	-2%
0.8	1.1	0.6	0.5	79%	D.C. Schools	7.1	11.1	7.0	4.1	59%
$72.0	$69.8	$75.2	(5.3)	-7%	subtotal	$737.1	$729.7	$765.7	(36.0)	-5%
					Non-Passenger Revenue					
1.4	1.5	1.6	($0.0)	-3%	Advertising	15.1	17.8	17.4	$0.4	2%
0.4	0.6	0.5	0.1	30%	Joint Dev/Property Rent	6.1	7.0	7.5	(0.6)	-8%
1.2	1.3	1.2	0.1	6%	Fiber Optic	14.0	14.2	13.3	0.9	7%
0.0	0.2	0.6	(0.3)	-58%	Other	3.8	9.4	6.5	2.9	45%
0.0	(0.0)	0.0	(0.0)	-101%	Interest	0.1	(0.2)	0.3	(0.5)	-151%
0.0	0.0	0.0	0.0		SE Closure	0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0		SCR Funding	0.0	0.0	0.0	0.0	
$3.0	$3.7	$3.9	(0.2)	-5%	subtotal	$39.1	$48.1	$45.0	3.1	7%
$75.0	**$73.5**	**$79.1**	**($5.5)**	**-7.0%**	**TOTAL REVENUE**	**$776.2**	**$777.8**	**$810.7**	**($32.8)**	**-4.1%**
$55.5	$60.5	$62.7	$2.1	3%	Salary/Wages	$613.0	$672.3	$678.1	$5.9	0.9%
$6.3	$5.8	$4.9	(0.9)	-19%	Overtime	$73.6	$72.0	$55.3	(16.7)	-30%
28.0	37.5	32.5	(5.0)	-16%	Fringe Benefits	309.2	360.7	351.8	(8.8)	-3%
19.1	13.9	17.2	3.3	19%	Services	175.4	163.4	189.0	25.6	14%
9.4	7.8	6.7	(1.0)	-15%	Supplies	75.5	84.0	68.5	(15.5)	-23%
7.4	8.1	9.5	1.5	15%	Power/Diesel/CNG	74.6	86.2	102.7	16.5	16%
2.6	2.7	3.4	0.7	21%	Utilities	30.8	33.2	38.4	5.2	14%
2.9	4.0	3.3	(0.8)	-24%	Insurance/Other	35.2	31.6	34.0	2.4	7%
$131.1	**$140.3**	**$140.1**	**($0.2)**	**-0.1%**	**TOTAL EXPENSE**	**$1387.2**	**$1503.3**	**$1517.9**	**$14.6**	**1.0%**
$56.1	**$66.7**	**$61.0**	**($5.7)**	**-9.3%**	**SUBSIDY**	**$611.0**	**$725.5**	**$707.3**	**($18.2)**	**-2.6%**