

USPS Preliminary Financial Information (Unaudited)

August 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$5,354	\$5,271	\$5,406	1.6%	-1.0%	\$59,801	\$59,006	\$60,227	1.3%	-0.7%
Government Appropriations	11	14	30	-22.8%	-64.6%	98	\$150	147	-34.5%	-33.1%
Total Operating Revenue	\$5,365	\$5,285	\$5,436	1.5%	-1.3%	\$59,899	\$59,156	\$60,374	1.3%	-0.8%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,299	\$4,187	\$4,286	2.7%	0.3%	\$46,325	\$45,639	\$46,597	1.5%	-0.6%
Workers Compensation Caseload Expense	98	98	162	0.5%	-39.2%	1,221	1,266	1,158	-3.6%	5.5%
Transportation	532	539	546	-1.5%	-2.7%	6,095	5,868	5,846	3.9%	4.3%
Supplies and Services	189	212	196	-10.7%	-3.4%	2,020	2,132	1,995	-5.3%	1.2%
Other Expenses	564	587	592	-4.0%	-4.7%	6,189	6,469	6,908	-4.3%	-10.4%
Total Controllable Operating Expenses	\$5,682	\$5,623	\$5,782	1.0%	-1.7%	\$61,850	\$61,374	\$62,504	0.8%	-1.0%
Controllable Operating Income (Loss)	(\$317)	(\$338)	(\$346)			(\$1,951)	(\$2,218)	(\$2,130)		
PSRHBF Expenses (b)	\$467	\$467	\$458	0.0%	1.8%	\$10,633	\$10,633	\$5,042	0.0%	110.9%
Workers Compensation (a)	158	16	965	NM	NM	1,760	(18)	1,460	NM	20.6%
Net Operating Income (Loss)	(\$942)	(\$820)	(\$1,769)			(\$14,344)	(\$12,833)	(\$8,631)		
Interest Income	\$2	\$2	\$5	5.3%	-62.2%	\$22	\$21	\$26	7.2%	-14.3%
Interest Expense	\$16	\$18	\$14	-10.1%	15.0%	\$174	\$198	\$158	-12.1%	9.9%
Net Income (Loss)	(\$956)	(\$836)	(\$1,778)			(\$14,495)	(\$13,010)	(\$8,763)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mailing Services Volume	13,112	13,115	13,804	0.0%	-5.0%	145,226	143,569	153,100	1.2%	-5.1%
Total Shipping Services Volume	228	210	147	8.6%	55.0%	2,295	2,207	1,470	4.0%	56.2%
Total Mail Volume	13,340	13,325	13,951	0.1%	-4.4%	147,521	145,776	154,569	1.2%	-4.6%
Total Workhours (Millions)	97	91	98	5.8%	-1.9%	1,033	1,009	1,055	2.4%	-2.1%
Total Career Employees						533,261				
Total Non-Career Employees						98,149				

a) This represents non-cash adjustments; the impact of discount and inflation rate changes and the actuarial revaluation of existing cases.

b) See PSRHBF footnote on page 4 of this report.

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 August 2012 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: Postal Service Revenue Pieces and Weights Reports)

August 2012

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume*	5,535,222	5,878,153	-5.8%	64,652,522	68,037,931	-5.0%
Revenue	\$2,421,560	\$2,515,967	-3.8%	\$28,187,481	\$29,473,974	-4.4%
<i>Standard Mail:</i>						
Volume*	6,903,809	7,256,496	-4.9%	73,332,805	77,513,099	-5.4%
Revenue	\$1,438,146	\$1,518,659	-5.3%	\$15,361,541	\$16,284,841	-5.7%
<i>Periodicals:</i>						
Volume*	567,057	561,507	1.0%	6,197,670	6,474,582	-4.3%
Revenue	\$149,312	\$149,724	-0.3%	\$1,593,488	\$1,660,927	-4.1%
<i>Package Services:</i>						
Volume*	66,513	68,879	-3.4%	589,995	614,361	-4.0%
Revenue	\$149,898	\$146,416	2.4%	\$1,471,790	\$1,467,585	0.3%
Total Mailing Services:(c)						
Volume*	13,111,784	13,804,193	-5.0%	145,226,139	153,099,742	-5.1%
Revenue **	\$4,398,589	\$4,648,394	-5.4%	\$49,471,035	\$51,826,284	-4.5%
Total Shipping Services:(c)						
Volume*	228,137	147,189	55.0%	2,295,045	1,469,612	56.2%
Revenue	\$968,753	\$792,881	22.2%	\$10,450,365	\$8,574,008	21.9%
Postal Service Totals						
Volume*	13,339,921	13,951,382	-4.4%	147,521,184	154,569,354	-4.6%
Revenue	\$5,367,342	\$5,441,275	-1.4%	\$59,921,400	\$60,400,292	-0.8%

* Note: The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis.

** Total Mailing Services Revenue on this report includes investment and interest income.

(c) See Reclassification footnote on page 4 of this report.

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USPS Preliminary Expenses (Unaudited)

August 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits										
City Delivery	\$1,469	\$1,414	\$1,466	3.9%	0.2%	\$15,710	\$15,253	\$15,660	3.0%	0.3%
Mail Processing	723	703	743	2.9%	-2.7%	8,109	7,959	8,289	1.9%	-2.2%
Customer Services and Retail	496	490	531	1.2%	-6.6%	5,505	5,417	5,778	1.6%	-4.7%
Rural Delivery	542	533	538	1.7%	0.7%	5,677	5,602	5,591	1.3%	1.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	798	814	787	-1.9%	1.4%	8,682	8,887	8,873	-2.3%	-2.2%
Total Salaries & Benefits	\$4,028	\$3,954	\$4,065	1.9%	-0.9%	\$43,683	\$43,118	\$44,191	1.3%	-1.1%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$226	\$220	\$207	2.7%	9.1%	\$2,402	\$2,374	\$2,231	1.2%	7.6%
Worker's Compensation Caseload Expenses	98	98	162	0.5%	-39.2%	1,221	1,266	1,158	-3.6%	5.5%
All Other Personnel Related Expenses	45	14	16	232.1%	188.5%	241	147	175	63.6%	37.5%
Total Other Personnel Related Expenses	\$369	\$332	\$384	11.1%	-3.9%	\$3,864	\$3,787	\$3,564	2.0%	8.4%
Controllable Personnel Compensation and Benefits	\$4,397	\$4,286	\$4,449	2.6%	-1.2%	\$47,547	\$46,905	\$47,755	1.4%	-0.4%
PSRHB Expenses (b)	\$467	\$467	\$458	0.0%	1.8%	\$10,633	\$10,633	\$5,042	0.0%	110.9%
Workers' Compensation (a)	158	16	965	NM	NM	1,760	(18)	1,460	NM	20.6%
Total Personnel Compensation and Benefits	\$5,023	\$4,767	\$5,872	5.4%	-14.5%	\$59,939	\$57,521	\$54,256	4.2%	10.5%
Non-Personnel Expenses:										
Transportation	\$532	\$538	\$546	-1.3%	-2.7%	\$6,095	\$5,868	\$5,846	3.9%	4.3%
Supplies and Services	189	212	196	-10.7%	-3.4%	2,020	2,132	1,995	-5.3%	1.2%
Depreciation and Amortization	165	175	189	-5.7%	-12.5%	1,911	2,028	2,126	-5.8%	-10.1%
Rent	82	91	84	-9.2%	-1.6%	931	1,004	949	-7.3%	-1.9%
Utilities and Heating Fuel	52	58	57	-10.2%	-8.8%	553	586	597	-5.6%	-7.4%
Vehicle Maintenance Service	90	81	88	10.6%	1.3%	915	892	888	2.6%	3.0%
Information Technology	44	51	36	-14.2%	21.2%	431	432	415	-0.2%	3.8%
Rural Carrier Equipment Maintenance Allowance	52	45	54	15.3%	-3.5%	531	519	506	2.3%	4.9%
Other	79	87	84	-9.3%	-5.6%	917	1,008	1,428	-9.0%	-35.8%
Total Non-Personnel Expenses	\$1,285	\$1,338	\$1,334	-4.0%	-3.7%	\$14,304	\$14,469	\$14,750	-1.1%	-3.0%
Total Operating Expenses	\$6,308	\$6,105	\$7,206	3.3%	-12.5%	\$74,243	\$71,989	\$69,006	3.1%	7.6%
Interest Expense	16	18	14	-10.1%	15.0%	174	198	158	-12.1%	9.9%
Total Expenses	\$6,324	\$6,123	\$7,220	3.3%	-12.4%	\$74,417	\$72,187	\$69,164	3.1%	7.6%

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USPS Preliminary Workhours (Unaudited)

August 2012

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	33,623	33,066	34,315	1.7%	-2.0%	358,297	353,361	366,393	1.4%	-2.2%
Mail Processing	17,233	15,229	17,619	13.2%	-2.2%	193,483	183,662	197,709	5.3%	-2.1%
Customer Services	12,195	13,059	12,698	-6.6%	-4.0%	133,243	132,487	138,202	0.6%	-3.6%
Rural Delivery	15,742	15,578	15,779	1.1%	-0.2%	163,704	162,562	163,265	0.7%	0.3%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	17,721	14,321	17,926	23.7%	-1.1%	184,747	176,909	189,860	4.4%	-2.7%
Total Workhours	96,514	91,253	98,336	5.8%	-1.9%	1,033,474	1,008,981	1,055,430	2.4%	-2.1%

(b) Retiree Health Benefit Expenses - The \$10,633 million Year-to-date Retirement Health Benefit expense represents 11/12 and 10/10 of the \$5.6 billion due on or before September 30, 2012 as required by Public Law 109-435 and the \$5.5 billion due on or before August 1, 2012 as required by Public Law 109-435 as amended by Public Law 112-74. The Postal Service was forced to default on the \$5.5 billion prefunding payment for retiree health benefits on August 1, 2012. Absent legislative changes, the Postal Service will also default on a second similar payment of \$5.6 billion due on September 30, 2012.

(c) These revenue and volume figures reflect reclassification changes that were not effective in the same period last year. Therefore, the percentage changes in the tables do not offer meaningful comparisons. The major change is in "Shipping Services" which acquired significant new volume via reclassification.

First-Class Mail Parcels, Standard Mail Parcels as well as Package Services currently categorized as Market Dominant products by the PRC for regulatory purposes are shown in the Postal Service report Form-10-Q in combination with Shipping Services. This total grouping is referred to as "Shipping Services plus Market Dominant packages". The remainder of the Market Dominant category will be referred to as "Mailing Services". This not only provides a better comparison, it is also more reflective of the way we manage our business. Reclassification data on a monthly basis is not available.

To get a better comparison of year over year mailing and shipping revenue and volume results, please refer to the charts shown in our 10-Q for the period ended June 30, 2012 which was released on August 9, 2012. The 10-Q is available by following this link, <http://about.usps.com/who-we-are/financials/financial-conditions-results-reports/fy2012-q3.pdf>.

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Numbers may not add due to rounding. Percentages calculated using unrounded numbers.