

USPS Preliminary Financial Information (Unaudited)

July 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
<b>Operating Revenue:</b>										
Mail and Services Revenue	\$5,006	\$5,101	\$5,049	-1.9%	-0.9%	\$54,447	\$53,735	\$54,832	1.3%	-0.7%
Government Appropriations	11	14	12	-22.8%	-10.3%	87	\$136	117	-35.7%	-25.1%
<b>Total Operating Revenue</b>	<b>\$5,017</b>	<b>\$5,115</b>	<b>\$5,061</b>	<b>-1.9%</b>	<b>-0.9%</b>	<b>\$54,534</b>	<b>\$53,871</b>	<b>\$54,949</b>	<b>1.2%</b>	<b>-0.7%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,143	\$3,920	\$4,157	5.7%	-0.3%	\$42,026	\$41,452	\$42,311	1.4%	-0.7%
Workers Compensation Caseload Expense	157	174	111	-10.1%	40.9%	1,123	1,168	1,006	-3.9%	11.5%
Transportation	515	503	530	2.4%	-2.9%	5,563	5,329	5,300	4.4%	5.0%
Supplies and Services	193	189	144	2.0%	33.9%	1,831	1,920	1,800	-4.6%	1.7%
Other Expenses	557	572	597	-2.5%	-6.7%	5,624	5,882	6,317	-4.4%	-11.0%
<b>Total Controllable Operating Expenses</b>	<b>\$5,564</b>	<b>\$5,358</b>	<b>\$5,539</b>	<b>3.9%</b>	<b>0.5%</b>	<b>\$56,167</b>	<b>\$55,752</b>	<b>\$56,734</b>	<b>0.7%</b>	<b>-1.0%</b>
<b>Controllable Operating Income (Loss)</b>	<b>(\$547)</b>	<b>(\$243)</b>	<b>(\$478)</b>			<b>(\$1,633)</b>	<b>(\$1,881)</b>	<b>(\$1,785)</b>		
PSRHBFB Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$10,167	\$10,167	\$4,583	0.0%	121.8%
Workers Compensation (a)	312	(61)	379	NM	NM	1,602	(33)	494	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$1,876)</b>	<b>(\$1,199)</b>	<b>(\$1,315)</b>			<b>(\$13,402)</b>	<b>(\$12,014)</b>	<b>(\$6,862)</b>		
<b>Interest Income and Expense:</b>										
Interest Income	\$2	\$2	\$2	5.3%	-2.5%	\$20	\$19	\$21	7.4%	-2.1%
Interest Expense	\$16	\$18	\$14	-12.7%	11.4%	\$157	\$179	\$144	-12.4%	9.4%
<b>Net Income (Loss)</b>	<b>(\$1,890)</b>	<b>(\$1,215)</b>	<b>(\$1,327)</b>			<b>(\$13,539)</b>	<b>(\$12,174)</b>	<b>(\$6,985)</b>		
<b>Other Operating Statistics:</b>										
<b>Mail Volume: (Millions)</b>										
Total Mailing Services Volume	12,222	12,532	12,846	-2.5%	-4.9%	132,114	130,454	139,296	1.3%	-5.2%
Total Shipping Services Volume	216	199	134	8.5%	60.9%	2,067	1,997	1,322	3.5%	56.3%
<b>Total Mail Volume</b>	<b>12,438</b>	<b>12,731</b>	<b>12,980</b>	<b>-2.3%</b>	<b>-4.2%</b>	<b>134,181</b>	<b>132,451</b>	<b>140,618</b>	<b>1.3%</b>	<b>-4.6%</b>
Total Workhours (Millions)	90	85	90	6.0%	-0.5%	937	917	957	2.2%	-2.1%
Total Career Employees						538,606				
Total Non-Career Employees						97,106				

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

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 July 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.

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

**Mail Volume and Mail Revenue** (Source: Postal Service Revenue Pieces and Weights Reports)

July 2012

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class:</i>						
Volume*	5,400,226	5,760,638	-6.3%	59,117,300	62,159,778	-4.9%
Revenue	\$2,355,907	\$2,481,573	-5.1%	\$25,765,922	\$26,958,008	-4.4%
<i>Standard Mail:</i>						
Volume*	6,251,880	6,469,776	-3.4%	66,428,995	70,256,603	-5.4%
Revenue	\$1,291,236	\$1,357,400	-4.9%	\$13,923,396	\$14,766,182	-5.7%
<i>Periodicals:</i>						
Volume*	491,193	535,130	-8.2%	5,630,613	5,913,074	-4.8%
Revenue	\$125,875	\$134,632	-6.5%	\$1,444,175	\$1,511,203	-4.4%
<i>Package Services:</i>						
Volume*	46,175	46,828	-1.4%	523,482	545,482	-4.0%
Revenue	\$120,107	\$113,768	5.6%	\$1,321,892	\$1,321,170	0.1%
<b>Total Mailing Services:(c)</b>						
Volume*	12,222,053	12,845,791	-4.9%	132,114,355	139,295,549	-5.2%
Revenue **	\$4,111,753	\$4,346,100	-5.4%	\$45,072,445	\$47,177,891	-4.5%
<b>Total Shipping Services:(c)</b>						
Volume*	215,794	134,097	60.9%	2,066,908	1,322,423	56.3%
Revenue	\$907,368	\$716,895	26.6%	\$9,481,612	\$7,781,126	21.9%
<b>Postal Service Totals</b>						
Volume*	12,437,847	12,979,888	-4.2%	134,181,263	140,617,972	-4.6%
Revenue	\$5,019,121	\$5,062,995	-0.9%	\$54,554,057	\$54,959,017	-0.7%

\* 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.

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 July 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.

USPS Preliminary Expenses (Unaudited)

July 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
<b>Personnel Compensation and Benefits:</b>										
<b>Salaries &amp; Benefits</b>										
City Delivery	\$1,390	\$1,326	\$1,385	4.8%	0.3%	\$14,241	\$13,840	\$14,194	2.9%	0.3%
Mail Processing	701	670	712	4.7%	-1.5%	7,386	7,257	7,546	1.8%	-2.1%
Customer Services and Retail	476	456	488	4.3%	-2.6%	5,010	4,927	5,247	1.7%	-4.5%
Rural Delivery	507	501	505	1.3%	0.5%	5,135	5,069	5,052	1.3%	1.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	751	736	845	2.1%	-11.1%	7,883	8,071	8,087	-2.3%	-2.5%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,825</b>	<b>\$3,688</b>	<b>\$3,935</b>	<b>3.7%</b>	<b>-2.8%</b>	<b>\$39,655</b>	<b>\$39,164</b>	<b>\$40,126</b>	<b>1.3%</b>	<b>-1.2%</b>
<b>Other Personnel Related Expenses</b>										
Retiree Health Benefits Current Premiums	\$222	\$219	\$206	1.6%	7.8%	\$2,176	\$2,155	\$2,024	1.0%	7.5%
Worker's Compensation Caseload Expenses	157	174	111	-10.1%	40.9%	1,123	1,168	1,006	-3.9%	11.5%
All Other Personnel Related Expenses	96	13	15	619.0%	522.7%	195	133	160	46.4%	21.9%
<b>Total Other Personnel Related Expenses</b>	<b>\$475</b>	<b>\$406</b>	<b>\$333</b>	<b>16.9%</b>	<b>42.7%</b>	<b>\$3,494</b>	<b>\$3,456</b>	<b>\$3,190</b>	<b>1.1%</b>	<b>9.5%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,300</b>	<b>\$4,094</b>	<b>\$4,268</b>	<b>5.0%</b>	<b>0.7%</b>	<b>\$43,149</b>	<b>\$42,620</b>	<b>\$43,316</b>	<b>1.2%</b>	<b>-0.4%</b>
PSRHBFB Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$10,167	\$10,167	\$4,583	0.0%	121.8%
Workers' Compensation (a)	312	(61)	379	NM	NM	1,602	(33)	494	NM	NM
<b>Total Personnel Compensation and Benefits</b>	<b>\$5,828</b>	<b>\$5,050</b>	<b>\$5,105</b>	<b>11.4%</b>	<b>10.2%</b>	<b>\$54,917</b>	<b>\$52,754</b>	<b>\$48,395</b>	<b>4.1%</b>	<b>13.5%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$515	\$503	\$530	2.4%	-2.9%	\$5,563	\$5,329	\$5,300	4.4%	5.0%
Supplies and Services	193	189	144	2.0%	33.9%	1,831	1,920	1,800	-4.6%	1.7%
Depreciation and Amortization	166	176	199	-5.5%	-16.4%	1,746	1,853	1,937	-5.8%	-9.9%
Rent	82	90	83	-9.5%	-1.3%	849	913	866	-7.1%	-2.0%
Utilities and Heating Fuel	56	51	59	10.5%	-4.0%	500	528	539	-5.3%	-7.3%
Vehicle Maintenance Service	77	71	75	7.8%	2.7%	825	811	800	1.8%	3.2%
Information Technology	55	57	51	-4.4%	7.3%	387	380	379	1.7%	2.1%
Rural Carrier Equipment Maintenance Allowance	48	45	49	7.1%	-2.6%	479	474	453	1.0%	5.9%
Other	73	81	81	-9.5%	-9.0%	839	922	1,342	-9.0%	-37.5%
<b>Total Non-Personnel Expenses</b>	<b>\$1,265</b>	<b>\$1,264</b>	<b>\$1,271</b>	<b>0.1%</b>	<b>-0.5%</b>	<b>\$13,019</b>	<b>\$13,131</b>	<b>\$13,416</b>	<b>-0.9%</b>	<b>-3.0%</b>
<b>Total Operating Expenses</b>	<b>\$6,893</b>	<b>\$6,314</b>	<b>\$6,376</b>	<b>9.2%</b>	<b>8.1%</b>	<b>\$67,936</b>	<b>\$65,885</b>	<b>\$61,810</b>	<b>3.1%</b>	<b>9.9%</b>
Interest Expense	16	18	14	-12.7%	11.4%	157	179	144	-12.4%	9.4%
<b>Total Expenses</b>	<b>\$6,909</b>	<b>\$6,332</b>	<b>\$6,390</b>	<b>9.1%</b>	<b>8.1%</b>	<b>\$68,093</b>	<b>\$66,064</b>	<b>\$61,954</b>	<b>3.1%</b>	<b>9.9%</b>

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 July 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.

USPS Preliminary Workhours (Unaudited)

July 2012

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	31,060	30,463	31,502	2.0%	-1.4%	324,637	319,698	332,054	1.5%	-2.2%
Mail Processing	16,257	14,359	16,507	13.2%	-1.5%	176,231	168,564	180,081	4.5%	-2.1%
Customer Services	11,354	11,938	11,335	-4.9%	0.2%	121,029	119,310	125,487	1.4%	-3.6%
Rural Delivery	14,657	14,417	14,677	1.7%	-0.1%	147,973	146,802	147,489	0.8%	0.3%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,336	13,416	16,126	21.8%	1.3%	167,011	162,706	171,928	2.6%	-2.9%
<b>Total Workhours</b>	<b>89,664</b>	<b>84,593</b>	<b>90,147</b>	<b>6.0%</b>	<b>-0.5%</b>	<b>936,880</b>	<b>917,080</b>	<b>957,039</b>	<b>2.2%</b>	<b>-2.1%</b>

(b) Retiree Health Benefit Expenses - The \$10,167 million Year-to-date Retirement Health Benefit expense represents 10/12 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>.

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 July 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.

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