

USPS Preliminary Financial Information (Unaudited)

December 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$6,106	\$5,953	\$6,371	2.6%	-4.2%	\$17,643	\$17,531	\$17,654	0.6%	-0.1%
Government Appropriations	(3)	10	(5)	-129.5%	-34.4%	17	\$32	23	-48.9%	-26.2%
Total Operating Revenue	\$6,103	\$5,963	\$6,366	2.3%	-4.1%	\$17,660	\$17,563	\$17,677	0.6%	-0.1%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,543	\$4,522	\$4,686	0.5%	-3.1%	\$13,145	\$13,083	\$13,115	0.5%	0.2%
Workers Compensation Caseload Expense	115	114	103	1.4%	11.5%	326	334	320	-2.4%	1.8%
Transportation	709	698	679	1.5%	4.3%	1,839	1,854	1,766	-0.8%	4.1%
Supplies and Services	210	231	203	-9.3%	3.5%	547	594	536	-8.0%	2.0%
Other Expenses*	584	558	605	4.8%	-3.4%	1,625	1,675	1,710	-2.9%	-5.0%
Total Controllable Operating Expenses	\$6,161	\$6,123	\$6,276	0.6%	-1.8%	\$17,482	\$17,540	\$17,447	-0.3%	0.2%
Controllable Operating Income (Loss)	(\$58)	(\$160)	\$90			\$178	\$23	\$230		
PSRHB Expenses	\$467	\$467	\$1,200	0.0%	-61.1%	\$1,400	\$1,400	\$3,050	0.0%	-54.1%
Workers Compensation (a)	(30)	-	298	NM	-110.2%	(2)	-	425	NM	-100.4%
Net Operating Income (Loss)	(\$495)	(\$627)	(\$1,408)			(\$1,220)	(\$1,377)	(\$3,245)		
Interest Income	\$2	\$2	\$2	4.9%	-2.4%	\$6	\$6	\$6	4.9%	-2.7%
Interest Expense	\$16	\$16	\$16	-0.7%	4.2%	\$50	\$49	\$48	1.7%	4.1%
Net Income (Loss)	(\$509)	(\$641)	(\$1,422)			(\$1,264)	(\$1,420)	(\$3,287)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Market Dominant Volume	12,938	12,347	13,906	4.8%	-7.0%	42,671	41,613	42,993	2.5%	-0.8%
Total Competitive Volume	313	315	229	-0.8%	36.6%	822	826	568	-0.5%	44.9%
Total Mail Volume	13,251	12,662	14,135	4.7%	-6.3%	43,493	42,439	43,561	2.5%	-0.2%
Total Workhours (Millions)	99	97	102	1.9%	-3.6%	288	284	289	1.4%	-0.3%
Total Career Employees						522,801				
Total Non-Career Employees						114,671				

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 December 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)

December 2012

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume**	6,802,193	7,258,264	-6.3%	17,986,126	18,860,676	-4.6%
Revenue	\$3,048,586	\$3,199,422	-4.7%	\$7,956,080	\$8,206,715	-3.1%
<i>Standard Mail:</i>						
Volume**	5,564,251	5,996,892	-7.2%	22,642,510	22,052,833	2.7%
Revenue	\$1,156,667	\$1,292,219	-10.5%	\$4,654,074	\$4,689,249	-0.8%
<i>Periodicals:</i>						
Volume**	507,837	549,707	-7.6%	1,640,548	1,727,636	-5.0%
Revenue	\$127,441	\$137,781	-7.5%	\$426,388	\$443,950	-4.0%
<i>Package Services:</i>						
Volume**	60,594	67,042	-9.6%	169,881	178,281	-4.7%
Revenue	\$184,946	\$194,706	-5.0%	\$454,501	\$454,852	-0.1%
Total Market Dominant: (b)						
Volume**	12,937,642	13,905,918	-7.0%	42,670,763	42,993,680	-0.8%
Revenue ***	\$4,724,584	\$5,106,739	-7.5%	\$14,187,130	\$14,673,314	-3.3%
Total Competitive: (b)						
Volume**	313,171	229,185	36.6%	822,431	567,722	44.9%
Revenue	\$1,380,288	\$1,260,857	9.5%	\$3,478,335	\$3,009,513	15.6%
Postal Service Totals						
Volume**	13,250,813	14,135,103	-6.3%	43,493,194	43,561,402	-0.2%
Revenue	\$6,104,872	\$6,367,596	-4.1%	\$17,665,465	\$17,682,827	-0.1%

** 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.

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

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USPS Preliminary Expenses (Unaudited)

December 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	\$1,491	\$1,468	\$1,533	1.6%	-2.8%	\$4,438	\$4,337	\$4,376	2.3%	1.4%
Mail Processing	815	820	848	-0.7%	-3.9%	2,285	2,293	2,358	-0.4%	-3.1%
Customer Services and Retail	528	531	561	-0.4%	-5.7%	1,497	1,517	1,564	-1.4%	-4.3%
Rural Delivery	530	528	538	0.3%	-1.5%	1,564	1,565	1,562	-0.1%	0.1%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration*	849	807	979	5.2%	-13.3%	2,555	2,513	2,583	1.7%	-1.1%
Total Salaries & Benefits	\$4,213	\$4,154	\$4,459	1.4%	-5.5%	\$12,339	\$12,225	\$12,443	0.9%	-0.8%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$228	\$233	\$211	-2.4%	8.0%	\$678	\$699	\$630	-3.1%	7.6%
Worker's Compensation Caseload Expenses	115	114	103	1.4%	11.5%	326	334	320	-2.4%	1.8%
All Other Personnel Related Expenses*	101	134	16	-24.5%	539.2%	128	158	42	-19.4%	204.0%
Total Other Personnel Related Expenses	\$444	\$481	\$330	-7.8%	34.6%	\$1,132	\$1,191	\$992	-5.0%	14.1%
Controllable Personnel Compensation and Benefits	\$4,657	\$4,635	\$4,789	0.5%	-2.7%	\$13,471	\$13,416	\$13,435	0.4%	0.3%
PSRHB Expenses	\$467	\$467	\$1,200	0.0%	-61.1%	\$1,400	\$1,400	\$3,050	0.0%	-54.1%
Workers' Compensation (a)	(30)	-	298	NM	-110.2%	(2)	-	425	NM	-100.4%
Total Personnel Compensation and Benefits	\$5,094	\$5,102	\$6,287	-0.1%	-19.0%	\$14,869	\$14,816	\$16,910	0.4%	-12.1%
Non-Personnel Expenses:										
Transportation	\$709	\$698	\$679	1.5%	4.3%	\$1,839	\$1,854	\$1,766	-0.8%	4.1%
Supplies and Services	210	231	203	-9.3%	3.5%	547	594	536	-8.0%	2.0%
Depreciation and Amortization	160	165	177	-3.1%	-9.6%	483	510	545	-5.4%	-11.4%
Rent	85	90	88	-5.7%	-3.6%	251	262	257	-4.2%	-2.3%
Utilities and Heating Fuel	45	49	51	-9.3%	-13.1%	138	146	148	-5.5%	-7.1%
Vehicle Maintenance Service	86	92	88	-6.0%	-2.1%	253	240	245	5.4%	3.5%
Information Technology	31	33	33	-8.5%	-8.5%	84	109	88	-22.8%	-4.0%
Rural Carrier Equipment Maintenance Allowance	48	42	51	14.1%	-5.2%	141	166	148	-15.1%	-4.8%
Other*	131	88	117	48.7%	11.7%	274	242	279	13.0%	-1.9%
Total Non-Personnel Expenses	\$1,504	\$1,488	\$1,487	1.1%	1.1%	\$4,010	\$4,123	\$4,012	-2.7%	-0.1%
Total Operating Expenses	\$6,598	\$6,590	\$7,774	0.1%	-15.1%	\$18,879	\$18,939	\$20,922	-0.3%	-9.8%
Interest Expense	16	16	16	-0.7%	4.2%	50	49	48	1.7%	4.1%
Total Expenses	\$6,614	\$6,606	\$7,790	0.1%	-15.1%	\$18,929	\$18,988	\$20,970	-0.3%	-9.7%

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*Numbers may not add due to rounding and/or adjustments. Percentages calculated using unrounded numbers.

USPS Preliminary Workhours (Unaudited)

December 2012

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	33,941	32,985	34,961	2.9%	-2.9%	100,607	98,073	99,799	2.6%	0.8%
Mail Processing	20,236	19,576	20,949	3.4%	-3.4%	55,892	54,730	56,936	2.1%	-1.8%
Customer Services	12,899	12,603	13,658	2.3%	-5.6%	36,513	36,201	37,526	0.9%	-2.7%
Rural Delivery	14,957	14,797	15,533	1.1%	-3.7%	44,400	44,319	44,745	0.2%	-0.8%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration*	16,480	16,685	17,051	-1.2%	-3.3%	50,295	50,294	49,688	0.0%	1.2%
Total Workhours	98,513	96,646	102,153	1.9%	-3.6%	287,707	283,617	288,694	1.4%	-0.3%

(b) 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.

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-K 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-K for the period ended September 30, 2012 which was released on November 15, 2012. The 10-K is available by following this link, <http://about.usps.com/who-we-are/financials/10k-reports/fy2012.pdf>.

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