

**USPS Preliminary Financial Information (Unaudited)**

**NOVEMBER 2010**

**(\$ Millions)**

|  | Current Period |                |                |              |             | Year-to-Date    |                 |                 |             |              |
|--|----------------|----------------|----------------|--------------|-------------|-----------------|-----------------|-----------------|-------------|--------------|
|  | Actual         | Plan           | SPLY           | % Plan       | % SPLY      | Actual          | Plan            | SPLY            | % Plan      | % SPLY       |
| <b>Operating Revenue:</b>                    |                |                |                |              |             |                 |                 |                 |             |              |
| Mail and Services Revenue                    | \$5,670        | \$5,677        | \$5,628        | -0.1%        | 0.8%        | \$11,685        | \$11,582        | \$11,671        | 0.9%        | 0.1%         |
| Government Appropriations                    | \$9            | \$4            | \$11           | 114.4%       | -12.6%      | \$24            | \$19            | \$21            | 26.8%       | 12.2%        |
| <b>Total Operating Revenue</b>               | <b>\$5,680</b> | <b>\$5,681</b> | <b>\$5,639</b> | <b>0.0%</b>  | <b>0.7%</b> | <b>\$11,709</b> | <b>\$11,601</b> | <b>\$11,692</b> | <b>0.9%</b> | <b>0.1%</b>  |
| <b>Operating Expenses:</b>                   |                |                |                |              |             |                 |                 |                 |             |              |
| Personnel Compensation and Benefits          | \$4,246        | \$4,103        | \$4,127        | 3.5%         | 2.9%        | \$8,494         | \$8,346         | \$8,687         | 1.8%        | -2.2%        |
| Workers Compensation Caseload Expense        | \$97           | \$96           | \$93           | 0.4%         | 4.1%        | \$197           | \$189           | \$175           | 4.7%        | 12.6%        |
| Transportation                               | \$489          | \$469          | \$482          | 4.2%         | 1.5%        | \$1,021         | \$989           | \$943           | 3.3%        | 8.3%         |
| Supplies and Services                        | \$184          | \$225          | \$170          | -18.2%       | 8.4%        | \$345           | \$374           | \$318           | -7.7%       | 8.7%         |
| Other Expenses                               | \$555          | \$584          | \$542          | -5.0%        | 2.4%        | \$1,102         | \$1,143         | \$1,070         | -3.6%       | 3.0%         |
| <b>Total Controllable Operating Expenses</b> | <b>\$5,570</b> | <b>\$5,478</b> | <b>\$5,414</b> | <b>1.7%</b>  | <b>2.9%</b> | <b>\$11,159</b> | <b>\$11,040</b> | <b>\$11,193</b> | <b>1.1%</b> | <b>-0.3%</b> |
| <b>Controllable Operating Income</b>         | <b>\$109</b>   | <b>\$203</b>   | <b>\$225</b>   |              |             | <b>\$549</b>    | <b>\$561</b>    | <b>\$500</b>    |             |              |
| PSRHBF Expenses                              | \$458          | \$458          | \$458          | 0.0%         | 0.0%        | \$917           | \$917           | \$917           | 0.0%        | 0.0%         |
| Workers Compensation (a)                     | \$94           | \$18           | \$11           | NM           | NM          | (\$221)         | \$40            | \$37            | NM          | NM           |
| <b>Net Operating Income (Loss)</b>           | <b>(\$443)</b> | <b>(\$273)</b> | <b>(\$244)</b> |              |             | <b>(\$147)</b>  | <b>(\$396)</b>  | <b>(\$454)</b>  |             |              |
| Interest Income                              | \$2            | \$2            | \$2            | 0.1%         | 0.1%        | \$4             | \$4             | \$4             | 0.1%        | -0.8%        |
| Interest Expense                             | \$14           | \$15           | \$13           | -6.6%        | 15.1%       | \$30            | \$31            | \$27            | -3.3%       | 13.1%        |
| <b>Net Income (Loss)</b>                     | <b>(\$456)</b> | <b>(\$287)</b> | <b>(\$255)</b> |              |             | <b>(\$173)</b>  | <b>(\$423)</b>  | <b>(\$476)</b>  |             |              |
| <b>Other Operating Statistics:</b>           |                |                |                |              |             |                 |                 |                 |             |              |
| <b>Mail Volume: (Millions)</b>               |                |                |                |              |             |                 |                 |                 |             |              |
| Total Mailing Services Volume                | 14,911         | 15,457         | 14,415         | -3.5%        | 3.4%        | 31,211          | 30,556          | 29,935          | 2.1%        | 4.3%         |
| Total Shipping Services Volume               | 128            | 129            | 122            | -0.8%        | 4.5%        | 250             | 256             | 247             | -2.3%       | 1.0%         |
| <b>Total Mail Volume</b>                     | <b>15,039</b>  | <b>15,586</b>  | <b>14,537</b>  | <b>-3.5%</b> | <b>3.4%</b> | <b>31,461</b>   | <b>30,812</b>   | <b>30,182</b>   | <b>2.1%</b> | <b>4.2%</b>  |
| Total Workhours (Millions)                   | 94             | 93             | 93             | 1.5%         | 1.4%        | 192             | 190             | 197             | 1.2%        | -2.5%        |
| Total Career Employees                       |                |                |                |              |             | 580,407         |                 |                 |             |              |
| Total Non-Career Employees                   |                |                |                |              |             | 88,699          |                 |                 |             |              |

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 November 2010 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)

**NOVEMBER 2010**

(Thousands)

|                                 | Current Period |             |        | Year-to-Date |              |        |
|---------------------------------|----------------|-------------|--------|--------------|--------------|--------|
|                                 | Actual         | SPLY        | % SPLY | Actual       | SPLY         | % SPLY |
| <b>Mailing Services:</b>        |                |             |        |              |              |        |
| <i>First Class:</i>             |                |             |        |              |              |        |
| Volume*                         | 6,013,299      | 6,253,438   | -3.8%  | 12,477,185   | 13,145,609   | -5.1%  |
| Revenue                         | \$2,646,911    | \$2,764,474 | -4.3%  | \$5,476,924  | \$5,755,231  | -4.8%  |
| <i>Standard Mail:</i>           |                |             |        |              |              |        |
| Volume*                         | 8,200,160      | 7,487,499   | 9.5%   | 17,272,502   | 15,336,409   | 12.6%  |
| Revenue                         | \$1,713,571    | \$1,584,370 | 8.2%   | \$3,590,636  | \$3,269,884  | 9.8%   |
| <i>Periodicals:</i>             |                |             |        |              |              |        |
| Volume*                         | 570,029        | 566,151     | 0.7%   | 1,217,896    | 1,245,531    | -2.2%  |
| Revenue                         | \$150,189      | \$150,273   | -0.1%  | \$322,169    | \$329,588    | -2.3%  |
| <i>Package Services:</i>        |                |             |        |              |              |        |
| Volume*                         | 53,968         | 47,791      | 12.9%  | 118,098      | 108,874      | 8.5%   |
| Revenue                         | \$123,758      | \$114,109   | 8.5%   | \$253,228    | \$238,463    | 6.2%   |
| <b>Total Mailing Services:</b>  |                |             |        |              |              |        |
| Volume*                         | 14,910,841     | 14,415,090  | 3.4%   | 31,211,485   | 29,934,619   | 4.3%   |
| Revenue **                      | \$4,936,231    | \$4,923,580 | 0.3%   | \$10,231,594 | \$10,225,876 | 0.1%   |
| <b>Total Shipping Services:</b> |                |             |        |              |              |        |
| Volume*                         | 127,835        | 122,311     | 4.5%   | 249,891      | 247,360      | 1.0%   |
| Revenue                         | \$745,337      | \$717,479   | 3.9%   | \$1,481,214  | \$1,470,675  | 0.7%   |
| <b>Postal Service Totals</b>    |                |             |        |              |              |        |
| Volume*                         | 15,038,676     | 14,537,401  | 3.4%   | 31,461,376   | 30,181,979   | 4.2%   |
| Revenue                         | \$5,681,568    | \$5,641,059 | 0.7%   | \$11,712,808 | \$11,696,551 | 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.

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USPS Preliminary Expenses (Unaudited)

NOVEMBER 2010

(\$ Millions)

|  | Current Period |                |                |              |              | Year-to-Date    |                 |                 |              |               |
|--|----------------|----------------|----------------|--------------|--------------|-----------------|-----------------|-----------------|--------------|---------------|
|  | Actual         | Plan           | SPLY           | % Plan       | % SPLY       | Actual          | Plan            | SPLY            | % Plan       | % SPLY        |
| <b>Personnel Compensation and Benefits:</b>  |                |                |                |              |              |                 |                 |                 |              |               |
| Salaries & Benefits  |                |                |                |              |              |                 |                 |                 |              |               |
| City Delivery  | \$1,391        | \$1,346        | \$1,329        | 3.4%         | 4.7%         | \$2,820         | \$2,720         | \$2,790         | 2.9%         | 1.1%          |
| Mail Processing  | 756            | 691            | 766            | 9.3%         | -1.4%        | 1,545           | 1,414           | 1,615           | 8.0%         | -4.3%         |
| Customer Services and Retail   | 521            | 486            | 521            | 7.2%         | 0.1%         | 1,052           | 995             | 1,109           | 5.7%         | -5.2%         |
| Rural Delivery   | 496            | 485            | 466            | 2.2%         | 6.5%         | 985             | 989             | 960             | -0.6%        | 2.6%          |
| Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration | 868            | 878            | 812            | -1.2%        | 6.9%         | 1,664           | 1,798           | 1,683           | -7.5%        | -1.1%         |
| <b>Total Salaries &amp; Benefits</b>   | <b>\$4,032</b> | <b>\$3,887</b> | <b>\$3,893</b> | <b>3.7%</b>  | <b>3.6%</b>  | <b>\$8,066</b>  | <b>\$7,917</b>  | <b>\$8,156</b>  | <b>1.9%</b>  | <b>-1.1%</b>  |
| Other Personnel Related Expenses   |                |                |                |              |              |                 |                 |                 |              |               |
| Retiree Health Benefits Current Premiums   | \$193          | \$193          | \$175          | -0.3%        | 9.9%         | \$385           | \$386           | \$348           | -0.3%        | 10.4%         |
| Worker's Compensation Caseload Expenses  | 97             | 96             | 93             | 0.4%         | 4.1%         | 197             | 189             | 175             | 4.7%         | 12.6%         |
| All Other Personnel Related Expenses   | 21             | 23             | 59             | -8.6%        | -64.1%       | 44              | 43              | 182             | 1.2%         | -75.9%        |
| <b>Total Other Personnel Related Expenses</b>  | <b>\$311</b>   | <b>\$313</b>   | <b>\$327</b>   | <b>-0.7%</b> | <b>-5.1%</b> | <b>\$626</b>    | <b>\$617</b>    | <b>\$705</b>    | <b>1.3%</b>  | <b>-11.3%</b> |
| <b>Controllable Personnel Compensation and Benefits</b>  | <b>\$4,343</b> | <b>\$4,200</b> | <b>\$4,220</b> | <b>3.4%</b>  | <b>2.9%</b>  | <b>\$8,691</b>  | <b>\$8,534</b>  | <b>\$8,862</b>  | <b>1.8%</b>  | <b>-1.9%</b>  |
| PSRHBFB Expenses   |                |                |                |              |              |                 |                 |                 |              |               |
| Workers' Compensation (a)  | \$458          | \$458          | \$458          | 0.0%         | 0.0%         | \$917           | \$917           | \$917           | 0.0%         | 0.0%          |
|  | 94             | 18             | 11             | NM           | NM           | (221)           | 40              | 37              | NM           | NM            |
| <b>Total Personnel Compensation and Benefits</b>   | <b>\$4,895</b> | <b>\$4,676</b> | <b>\$4,690</b> | <b>4.7%</b>  | <b>4.4%</b>  | <b>\$9,387</b>  | <b>\$9,490</b>  | <b>\$9,815</b>  | <b>-1.1%</b> | <b>-4.4%</b>  |
| <b>Non-Personnel Expenses:</b>   |                |                |                |              |              |                 |                 |                 |              |               |
| Transportation   | \$489          | \$469          | \$482          | 4.2%         | 1.5%         | \$1,021         | \$989           | \$943           | 3.3%         | 8.3%          |
| Supplies and Services  | 184            | 225            | 170            | -18.2%       | 8.4%         | 345             | 374             | 318             | -7.7%        | 8.7%          |
| Depreciation and Amortization  | 189            | 209            | 194            | -9.8%        | -2.8%        | 381             | 418             | 384             | -8.9%        | -0.7%         |
| Rent   | 94             | 91             | 94             | 3.4%         | 0.2%         | 183             | 177             | 181             | 3.7%         | 1.3%          |
| Utilities and Heating Fuel   | 46             | 49             | 46             | -7.0%        | -0.1%        | 102             | 104             | 101             | -1.8%        | 1.3%          |
| Vehicle Maintenance Service  | 71             | 66             | 59             | 7.1%         | 18.8%        | 138             | 130             | 122             | 6.3%         | 13.1%         |
| Information Technology   | 30             | 50             | 31             | -39.4%       | -2.3%        | 50              | 70              | 47              | -27.8%       | 7.4%          |
| Rural Carrier Equipment Maintenance Allowance  | 42             | 42             | 38             | -0.7%        | 10.9%        | 86              | 85              | 84              | 1.3%         | 1.8%          |
| Other  | 83             | 76             | 79             | 9.1%         | 4.8%         | 163             | 161             | 152             | 1.0%         | 6.7%          |
| <b>Total Non-Personnel Expenses</b>  | <b>\$1,228</b> | <b>\$1,279</b> | <b>\$1,193</b> | <b>-4.0%</b> | <b>2.9%</b>  | <b>\$2,469</b>  | <b>\$2,506</b>  | <b>\$2,330</b>  | <b>-1.5%</b> | <b>5.9%</b>   |
| <b>Total Operating Expenses</b>  | <b>\$6,123</b> | <b>\$5,954</b> | <b>\$5,883</b> | <b>2.8%</b>  | <b>4.1%</b>  | <b>\$11,856</b> | <b>\$11,997</b> | <b>\$12,146</b> | <b>-1.2%</b> | <b>-2.4%</b>  |
| Interest Expense   | \$14           | \$15           | \$13           | -6.6%        | 15.1%        | \$30            | \$31            | \$27            | -3.3%        | 13.1%         |
| <b>Total Expenses</b>  | <b>\$6,137</b> | <b>\$5,970</b> | <b>\$5,896</b> | <b>2.8%</b>  | <b>4.1%</b>  | <b>\$11,886</b> | <b>\$12,028</b> | <b>\$12,172</b> | <b>-1.2%</b> | <b>-2.4%</b>  |

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

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**USPS Preliminary Workhours (Unaudited)**

**NOVEMBER 2010**

**(Thousands)**

|   | Current Period |               |               |             |             | Year-to-Date   |                |                |             |              |
|---|----------------|---------------|---------------|-------------|-------------|----------------|----------------|----------------|-------------|--------------|
|   | Actual         | Plan          | SPLY          | % Plan      | % SPLY      | Actual         | Plan           | SPLY           | % Plan      | % SPLY       |
| Workhours   |                |               |               |             |             |                |                |                |             |              |
| City Delivery   | 32,871         | 32,480        | 32,064        | 1.2%        | 2.5%        | 66,869         | 65,878         | 67,809         | 1.5%        | -1.4%        |
| Mail Processing   | 18,157         | 17,060        | 18,517        | 6.4%        | -1.9%       | 36,962         | 34,922         | 38,739         | 5.8%        | -4.6%        |
| Customer Services   | 12,458         | 12,121        | 12,668        | 2.8%        | -1.7%       | 25,215         | 24,831         | 27,006         | 1.5%        | -6.6%        |
| Rural Delivery  | 14,184         | 14,274        | 13,510        | -0.6%       | 5.0%        | 28,821         | 29,114         | 28,636         | -1.0%       | 0.6%         |
| Other, including Plant and Vehicle Maintenance,<br>Operational Support, Postmasters, and Administration | 16,816         | 17,171        | 16,385        | -2.1%       | 2.6%        | 34,059         | 34,915         | 34,680         | -2.5%       | -1.8%        |
| <b>Total Workhours</b>  | <b>94,486</b>  | <b>93,106</b> | <b>93,144</b> | <b>1.5%</b> | <b>1.4%</b> | <b>191,926</b> | <b>189,660</b> | <b>196,870</b> | <b>1.2%</b> | <b>-2.5%</b> |

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