

USPS Preliminary Financial Information (Unaudited)

November 2011

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$5,572	\$5,329	\$5,671	4.6%	-1.7%	\$11,284	\$10,939	\$11,685	3.1%	-3.4%
Government Appropriations	14	\$14	9	0.7%	49.2%	27	27	24	0.4%	16.2%
Total Operating Revenue	\$5,586	\$5,343	\$5,680	4.5%	-1.6%	\$11,311	\$10,966	\$11,709	3.2%	-3.4%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,176	\$4,127	\$4,240	1.2%	-1.5%	\$8,429	\$8,362	\$8,481	0.8%	-0.6%
Workers Compensation Caseload Expense	96	103	97	-7.5%	-1.2%	205	210	197	-2.3%	4.0%
Transportation	549	534	489	2.7%	12.2%	1,087	1,064	1,021	2.1%	6.4%
Supplies and Services	171	188	184	-9.2%	-7.3%	334	351	345	-5.1%	-3.4%
Other Expenses	555	572	561	-2.9%	-1.0%	1,105	1,126	1,115	-1.9%	-0.9%
Total Controllable Operating Expenses	\$5,546	\$5,525	\$5,570	0.4%	-0.4%	\$11,159	\$11,113	\$11,159	0.4%	0.0%
Controllable Operating Income (Loss)	\$40	(\$181)	\$109			\$152	(\$148)	\$549		
PSRHBF Expenses (b)	\$925	\$925	\$458	0.0%	101.8%	\$1,850	\$1,850	\$917	0.0%	101.8%
Workers Compensation (a)	369	10	94	NM	NM	138	17	(221)	NM	NM
Net Operating Income (Loss)	(\$1,254)	(\$1,117)	(\$443)			(\$1,836)	(\$2,014)	(\$147)		
Interest Income	\$2	\$2	\$2	5.3%	-3.3%	\$4	\$4	\$4	5.3%	-2.5%
Interest Expense	\$15	\$18	\$14	-15.7%	4.9%	\$32	\$34	\$30	-5.7%	5.9%
Net Income (Loss)	(\$1,267)	(\$1,133)	(\$456)			(\$1,865)	(\$1,586)	(\$173)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mailing Services Volume	14,596	13,465	14,976	8.4%	-2.5%	29,241	28,091	31,319	4.1%	-6.6%
Total Shipping Services Volume	173	171	130	1.2%	32.7%	339	333	254	1.8%	33.6%
Total Mail Volume	14,769	13,636	15,106	8.3%	-2.2%	29,580	28,424	31,573	4.1%	-6.3%
Total Workhours (Millions)	92	91	94	0.6%	-2.9%	186	185	192	0.5%	-2.9%
Total Career Employees						552,441				
Total Non-Career Employees						91,085				

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 November 2011 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 2011

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume*	5,741,446	6,026,371	-4.7%	11,704,656	12,490,005	-6.3%
Revenue	\$2,463,922	\$2,622,458	-6.0%	\$5,034,223	\$5,435,830	-7.4%
<i>Standard Mail:</i>						
Volume*	8,106,170	8,246,857	-1.7%	16,098,196	17,365,369	-7.3%
Revenue	\$1,707,098	\$1,723,934	-1.0%	\$3,401,847	\$3,611,544	-5.8%
<i>Periodicals:</i>						
Volume*	586,302	571,087	2.7%	1,177,846	1,219,940	-3.5%
Revenue	\$152,163	\$150,028	1.4%	\$306,016	\$321,738	-4.9%
<i>Package Services:</i>						
Volume*	54,155	54,520	-0.7%	111,550	118,748	-6.1%
Revenue	\$132,750	\$127,418	4.2%	\$262,013	\$259,379	1.0%
Total Mailing Services:						
Volume*	14,596,222	14,975,818	-2.5%	29,240,966	31,318,934	-6.6%
Revenue **	\$4,726,673	\$4,920,000	-3.9%	\$9,590,622	\$10,213,303	-6.1%
Total Shipping Services:						
Volume*	172,982	130,328	32.7%	339,471	254,044	33.6%
Revenue	\$861,408	\$761,568	13.1%	\$1,724,609	\$1,499,505	15.0%
Postal Service Totals						
Volume*	14,769,204	15,106,146	-2.2%	29,580,437	31,572,978	-6.3%
Revenue	\$5,588,081	\$5,681,568	-1.6%	\$11,315,232	\$11,712,808	-3.4%

* 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 2011
(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits										
City Delivery	\$1,418	\$1,370	\$1,391	3.5%	1.9%	\$2,843	\$2,791	\$2,820	1.9%	0.8%
Mail Processing	747	738	756	1.3%	-1.1%	1,510	1,495	1,545	1.0%	-2.3%
Customer Services and Retail	497	489	521	1.8%	-4.6%	1,003	997	1,052	0.6%	-4.6%
Rural Delivery	503	484	496	4.0%	1.4%	1,023	987	985	3.7%	3.9%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	788	818	868	-3.7%	-9.3%	1,605	1,634	1,664	-1.8%	-3.5%
Total Salaries & Benefits	\$3,953	\$3,898	\$4,032	1.4%	-2.0%	\$7,984	\$7,904	\$8,066	1.0%	-1.0%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$211	\$216	\$193	-2.5%	9.6%	\$420	\$433	\$385	-3.0%	9.1%
Worker's Compensation Caseload Expenses	96	103	97	-7.5%	-1.2%	205	210	197	-2.3%	4.0%
All Other Personnel Related Expenses	13	13	15	-1.7%	-16.0%	25	26	31	-1.0%	-18.4%
Total Other Personnel Related Expenses	\$319	\$332	\$304	-4.0%	4.9%	\$650	\$668	\$613	-2.7%	6.1%
Controllable Personnel Compensation and Benefits	\$4,272	\$4,231	\$4,336	1.0%	-1.5%	\$8,634	\$8,572	\$8,679	0.7%	-0.5%
PSRHBF Expenses (b)	\$925	\$925	\$458	0.0%	101.8%	\$1,850	\$1,850	\$917	0.0%	101.8%
Workers' Compensation (a)	369	10	94	NM	NM	138	17	(221)	NM	NM
Total Personnel Compensation and Benefits	\$5,566	\$5,166	\$4,889	7.7%	4.5%	\$10,623	\$10,439	\$9,375	1.8%	3.5%
Non-Personnel Expenses:										
Transportation	\$549	\$534	\$489	2.7%	12.2%	\$1,087	\$1,064	\$1,021	2.1%	6.4%
Supplies and Services	171	188	184	-9.2%	-7.3%	334	351	345	-5.1%	-3.4%
Depreciation and Amortization	186	197	189	-6.0%	-1.7%	368	396	381	-7.0%	-3.3%
Rent	88	97	94	-9.5%	-7.0%	169	188	183	-10.1%	-7.7%
Utilities and Heating Fuel	46	48	46	-4.3%	0.0%	97	98	102	-0.9%	-5.1%
Vehicle Maintenance Service	79	77	71	3.2%	12.2%	157	146	138	7.6%	13.7%
Information Technology	30	30	30	1.6%	-0.2%	54	51	50	5.8%	7.9%
Rural Carrier Equipment Maintenance Allowance	46	43	42	6.8%	10.6%	97	86	86	12.0%	12.9%
Other	80	79	89	0.6%	-10.2%	163	161	175	1.4%	-6.7%
Total Non-Personnel Expenses	\$1,274	\$1,294	\$1,234	-1.5%	3.3%	\$2,525	\$2,541	\$2,481	-0.6%	1.8%
Total Operating Expenses	\$6,840	\$6,460	\$6,123	5.9%	4.2%	\$13,148	\$12,980	\$11,856	1.3%	3.2%
Interest Expense	15	18	14	-15.7%	4.9%	32	34	30	-5.7%	5.9%
Total Expenses	\$6,855	\$6,478	\$6,137	5.8%	4.2%	\$13,180	\$13,014	\$11,886	1.3%	3.2%

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.

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USPS Preliminary Workhours (Unaudited)

November 2011

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	32,115	31,827	32,871	0.9%	-2.3%	64,759	64,803	66,869	-0.1%	-3.2%
Mail Processing	17,772	17,482	18,157	1.7%	-2.1%	35,905	35,279	36,962	1.8%	-2.9%
Customer Services	11,808	11,664	12,458	1.2%	-5.2%	23,975	23,752	25,215	0.9%	-4.9%
Rural Delivery	14,046	13,959	14,184	0.6%	-1.0%	29,280	28,502	28,821	2.7%	1.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,049	16,307	16,816	-1.6%	-4.6%	32,473	33,109	34,059	-1.9%	-4.7%
Total Workhours	91,791	91,240	94,486	0.6%	-2.9%	186,391	185,445	191,926	0.5%	-2.9%

(b) Retiree Health Benefit Expenses - The \$925 million November and \$1,850 million Year-to-date Retirement Health Benefit expense represents 1/12 and 2/12 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 H.R. 2055. The Postal Service is studying the options available on the appropriate Generally Accepted Accounting Principles (GAAP) for recognition and disclosure of this obligation on their December 31, 2011 Financial Statements to be released on February 9, 2012.

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