

**USPS Preliminary Financial Information (Unaudited)**

**January 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	\$5,387	\$5,361	\$5,457	0.5%	-1.3%	\$23,042	\$22,447	\$23,298	2.6%	-1.1%
Government Appropriations	2	14	11	-89.0%	-86.5%	24	54	46	-55.9%	-48.1%
<b>Total Operating Revenue</b>	<b>\$5,389</b>	<b>\$5,375</b>	<b>\$5,468</b>	<b>0.3%</b>	<b>-1.4%</b>	<b>\$23,066</b>	<b>\$22,501</b>	<b>\$23,344</b>	<b>2.5%</b>	<b>-1.2%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,107	\$4,164	\$4,196	-1.4%	-2.1%	\$17,222	\$17,200	\$17,440	0.1%	-1.2%
Workers Compensation Caseload Expense	106	109	104	-2.9%	1.5%	403	420	395	-4.1%	2.0%
Transportation	589	569	528	3.5%	11.5%	2,356	2,281	2,189	3.3%	7.6%
Supplies and Services	180	205	181	-12.5%	-1.0%	716	767	754	-6.7%	-5.1%
Other Expenses	555	583	571	-4.8%	-2.9%	2,265	2,329	2,318	-2.8%	-2.3%
<b>Total Controllable Operating Expenses</b>	<b>\$5,536</b>	<b>\$5,630</b>	<b>\$5,581</b>	<b>-1.7%</b>	<b>-0.8%</b>	<b>\$22,961</b>	<b>\$22,997</b>	<b>\$23,096</b>	<b>-0.2%</b>	<b>-0.6%</b>
<b>Controllable Operating Income (Loss)</b>	<b>(\$147)</b>	<b>(\$255)</b>	<b>(\$113)</b>			<b>\$105</b>	<b>(\$495)</b>	<b>\$248</b>		
PSRHBF Expenses (b)	\$1,017	\$1,292	\$458	-21.3%	121.8%	\$4,067	\$4,067	\$1,833	0.0%	121.8%
Workers Compensation (a)	85	4	(133)	NM	NM	532	34	(856)	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$1,248)</b>	<b>(\$1,551)</b>	<b>(\$438)</b>			<b>(\$4,494)</b>	<b>(\$4,596)</b>	<b>(\$729)</b>		
Interest Income	\$2	\$2	\$2	5.3%	-4.9%	\$8	\$8	\$8	5.3%	-2.9%
Interest Expense	\$16	\$19	\$15	-16.0%	6.4%	\$63	\$71	\$60	-10.9%	6.2%
<b>Net Income (Loss)</b>	<b>(\$1,262)</b>	<b>(\$1,568)</b>	<b>(\$451)</b>			<b>(\$4,549)</b>	<b>(\$4,659)</b>	<b>(\$781)</b>		
<b>Other Operating Statistics:</b>										
<b>Mail Volume: (Millions)</b>										
Total Mailing Services Volume	13,215	12,855	13,590	2.8%	-2.8%	56,399	54,248	59,703	4.0%	-5.5%
Total Shipping Services Volume	175	203	113	-13.8%	55.7%	739	759	536	-2.6%	38.0%
<b>Total Mail Volume</b>	<b>13,390</b>	<b>13,058</b>	<b>13,702</b>	<b>2.5%</b>	<b>-2.3%</b>	<b>57,138</b>	<b>55,007</b>	<b>60,238</b>	<b>3.9%</b>	<b>-5.1%</b>
Total Workhours (Millions)	92	90	94	2.1%	-2.6%	381	377	392	1.1%	-2.8%
Total Career Employees						547,222				
Total Non-Career Employees						94,735				

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 January 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)

**January 2012**

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class:</i>						
Volume*	6,281,408	6,568,574	-4.4%	25,315,328	26,612,026	-4.9%
Revenue	\$2,688,146	\$2,813,379	-4.5%	\$10,942,224	\$11,562,382	-5.4%
<i>Standard Mail:</i>						
Volume*	6,301,491	6,378,261	-1.2%	28,373,938	30,250,614	-6.2%
Revenue	\$1,317,056	\$1,333,185	-1.2%	\$6,008,122	\$6,328,884	-5.0%
<i>Periodicals:</i>						
Volume*	540,363	547,506	-1.3%	2,268,123	2,393,008	-5.2%
Revenue	\$134,420	\$136,559	-1.6%	\$578,688	\$616,637	-6.2%
<i>Package Services:</i>						
Volume*	56,262	59,568	-5.5%	234,195	247,836	-5.5%
Revenue	\$146,520	\$142,381	2.9%	\$599,743	\$588,915	1.8%
<b>Total Mailing Services:</b>						
Volume*	13,215,091	13,589,712	-2.8%	56,399,037	59,702,529	-5.5%
Revenue **	\$4,541,819	\$4,774,890	-4.9%	\$19,256,119	\$20,073,134	-4.1%
<b>Total Shipping Services:</b>						
Volume*	175,388	112,671	55.7%	739,148	535,506	38.0%
Revenue	\$849,146	\$694,642	22.2%	\$3,817,673	\$3,279,253	16.4%
<b>Postal Service Totals</b>						
Volume*	13,390,479	13,702,383	-2.3%	57,138,185	60,238,035	-5.1%
Revenue	\$5,390,965	\$5,469,532	-1.4%	\$23,073,792	\$23,352,387	-1.2%

\* 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)**

**January 2012**

**(\$ 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	\$1,387	\$1,360	\$1,405	2.0%	-1.2%	\$5,763	\$5,659	\$5,758	1.8%	0.1%
Mail Processing	749	734	771	2.1%	-2.9%	3,107	3,089	3,178	0.6%	-2.2%
Customer Services and Retail	499	489	523	2.1%	-4.6%	2,063	2,047	2,167	0.8%	-4.8%
Rural Delivery	492	487	488	0.9%	0.7%	2,053	2,009	2,003	2.2%	2.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	753	869	791	-13.4%	-4.8%	3,337	3,484	3,484	-4.2%	-4.2%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,879</b>	<b>\$3,939</b>	<b>\$3,978</b>	<b>-1.5%</b>	<b>-2.5%</b>	<b>\$16,322</b>	<b>\$16,289</b>	<b>\$16,589</b>	<b>0.2%</b>	<b>-1.6%</b>
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$216	\$213	\$205	1.6%	5.4%	\$846	\$857	\$782	-1.2%	8.2%
Worker's Compensation Caseload Expenses	106	109	104	-2.9%	1.5%	403	420	395	-4.1%	2.0%
All Other Personnel Related Expenses	11	12	13	-7.1%	-13.8%	53	54	69	-1.6%	-22.3%
<b>Total Other Personnel Related Expenses</b>	<b>\$333</b>	<b>\$334</b>	<b>\$323</b>	<b>-0.2%</b>	<b>3.3%</b>	<b>\$1,303</b>	<b>\$1,331</b>	<b>\$1,246</b>	<b>-2.1%</b>	<b>4.6%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,213</b>	<b>\$4,273</b>	<b>\$4,300</b>	<b>-1.4%</b>	<b>-2.0%</b>	<b>\$17,625</b>	<b>\$17,620</b>	<b>\$17,835</b>	<b>0.0%</b>	<b>-1.2%</b>
PSRHBF Expenses (b)	\$1,017	\$1,292	\$458	-21.3%	121.8%	\$4,067	\$4,067	\$1,833	0.0%	121.8%
Workers' Compensation (a)	85	4	(133)	NM	NM	532	34	(856)	NM	NM
<b>Total Personnel Compensation and Benefits</b>	<b>\$5,314</b>	<b>\$5,569</b>	<b>\$4,625</b>	<b>-4.6%</b>	<b>14.9%</b>	<b>\$22,224</b>	<b>\$21,721</b>	<b>\$18,812</b>	<b>2.3%</b>	<b>18.1%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$589	\$569	\$528	3.5%	11.5%	\$2,356	\$2,281	\$2,189	3.3%	7.6%
Supplies and Services	180	205	181	-12.5%	-1.0%	716	767	754	-6.7%	-5.1%
Depreciation and Amortization	181	187	191	-3.2%	-5.5%	726	772	764	-5.9%	-5.0%
Rent	88	92	87	-4.8%	1.0%	345	373	358	-7.5%	-3.6%
Utilities and Heating Fuel	51	55	56	-6.9%	-7.4%	199	203	209	-1.8%	-4.5%
Vehicle Maintenance Service	81	78	73	3.9%	10.6%	325	311	296	4.5%	10.1%
Information Technology	44	43	48	0.6%	-9.2%	131	122	134	7.7%	-1.8%
Rural Carrier Equipment Maintenance Allowance	45	44	29	1.5%	53.7%	192	192	175	0.3%	9.8%
Other	66	84	88	-21.2%	-24.5%	346	357	383	-3.1%	-9.8%
<b>Total Non-Personnel Expenses</b>	<b>\$1,323</b>	<b>\$1,357</b>	<b>\$1,281</b>	<b>-2.5%</b>	<b>3.3%</b>	<b>\$5,336</b>	<b>\$5,377</b>	<b>\$5,261</b>	<b>-0.8%</b>	<b>1.4%</b>
<b>Total Operating Expenses</b>	<b>\$6,637</b>	<b>\$6,926</b>	<b>\$5,906</b>	<b>-4.2%</b>	<b>12.4%</b>	<b>\$27,560</b>	<b>\$27,097</b>	<b>\$24,073</b>	<b>1.7%</b>	<b>14.5%</b>
Interest Expense	16	19	15	-16.0%	6.4%	63	71	60	-10.9%	6.2%
<b>Total Expenses</b>	<b>\$6,653</b>	<b>\$6,945</b>	<b>\$5,921</b>	<b>-4.2%</b>	<b>12.4%</b>	<b>\$27,623</b>	<b>\$27,168</b>	<b>\$24,133</b>	<b>1.7%</b>	<b>14.5%</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)**

**January 2012**

**(Thousands)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	31,482	31,009	32,484	1.5%	-3.1%	131,327	130,315	135,268	0.8%	-2.9%
Mail Processing	17,885	17,043	18,320	4.9%	-2.4%	74,943	72,805	76,722	2.9%	-2.3%
Customer Services	11,965	11,516	12,453	3.9%	-3.9%	49,490	48,581	52,038	1.9%	-4.9%
Rural Delivery	14,068	13,936	14,066	0.9%	0.0%	58,828	57,779	58,573	1.8%	0.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,553	16,541	17,124	0.1%	-3.3%	66,239	67,082	69,065	-1.3%	-4.1%
<b>Total Workhours</b>	<b>91,953</b>	<b>90,046</b>	<b>94,446</b>	<b>2.1%</b>	<b>-2.6%</b>	<b>380,827</b>	<b>376,563</b>	<b>391,667</b>	<b>1.1%</b>	<b>-2.8%</b>

(b) Retiree Health Benefit Expenses - The \$3,050 million Year-to-date Retirement Health Benefit expense represents 4/12 and 4/10 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.

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