

**USPS Preliminary Financial Information (Unaudited)**

**May 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	\$5,270	\$5,266	\$5,118	0.1%	3.0%	\$44,400	\$43,639	\$44,639	1.7%	-0.5%
Government Appropriations	11	14	12	-22.8%	-10.3%	66	109	93	-39.2%	-29.0%
<b>Total Operating Revenue</b>	<b>\$5,281</b>	<b>\$5,280</b>	<b>\$5,130</b>	<b>0.0%</b>	<b>3.1%</b>	<b>\$44,466</b>	<b>\$43,748</b>	<b>\$44,732</b>	<b>1.6%</b>	<b>-0.6%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,239	\$4,123	\$4,184	2.8%	1.3%	\$33,729	\$33,456	\$34,082	0.8%	-1.0%
Workers Compensation Caseload Expense	100	112	111	-10.7%	-9.9%	850	882	787	-3.6%	8.1%
Transportation	550	508	516	8.3%	6.7%	4,534	4,330	4,271	4.7%	6.1%
Supplies and Services	196	176	175	11.2%	11.8%	1,460	1,537	1,481	-5.0%	-1.5%
Other Expenses	549	558	586	-1.8%	-6.3%	4,521	4,677	4,739	-3.3%	-4.6%
<b>Total Controllable Operating Expenses</b>	<b>\$5,633</b>	<b>\$5,478</b>	<b>\$5,571</b>	<b>2.8%</b>	<b>1.1%</b>	<b>\$45,093</b>	<b>\$44,882</b>	<b>\$45,360</b>	<b>0.5%</b>	<b>-0.6%</b>
<b>Controllable Operating Income (Loss)</b>	<b>(\$353)</b>	<b>(\$198)</b>	<b>(\$441)</b>			<b>(\$627)</b>	<b>(\$1,134)</b>	<b>(\$628)</b>		
PSRHBF Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$8,133	\$8,133	\$3,667	0.0%	121.8%
Workers Compensation (a)	668	2	437	NM	NM	1,238	26	259	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$2,037)</b>	<b>(\$1,216)</b>	<b>(\$1,336)</b>			<b>(\$9,998)</b>	<b>(\$9,293)</b>	<b>(\$4,554)</b>		
Interest Income	\$2	\$2	\$2	10.5%	1.9%	\$16	\$15	\$17	7.2%	-2.4%
Interest Expense	\$16	\$19	\$14	-14.4%	11.3%	\$126	\$144	\$116	-12.5%	8.9%
<b>Net Income (Loss)</b>	<b>(\$2,051)</b>	<b>(\$1,233)</b>	<b>(\$1,348)</b>			<b>(\$10,108)</b>	<b>(\$9,422)</b>	<b>(\$4,653)</b>		
<b>Other Operating Statistics:</b>										
<b>Mail Volume: (Millions)</b>										
Total Mailing Services Volume	12,873	12,930	12,865	-0.4%	0.1%	107,721	105,733	113,458	1.9%	-5.1%
Total Shipping Services Volume	275	202	134	36.1%	104.7%	1,637	1,600	1,048	2.3%	56.2%
<b>Total Mail Volume</b>	<b>13,148</b>	<b>13,132</b>	<b>13,000</b>	<b>0.1%</b>	<b>1.1%</b>	<b>109,358</b>	<b>107,333</b>	<b>114,506</b>	<b>1.9%</b>	<b>-4.5%</b>
Total Workhours (Millions)	92	92	94	0.5%	-2.0%	753	743	773	1.3%	-2.6%
Total Career Employees						542,129				
Total Non-Career Employees						96,717				

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 May 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)

**May 2012**

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class:</i>						
Volume*	5,602,316	5,627,926	-0.5%	48,045,979	50,381,019	-4.6%
Revenue	\$2,350,374	\$2,444,699	-3.9%	\$20,947,010	\$21,874,998	-4.2%
<i>Standard Mail:</i>						
Volume*	6,600,939	6,572,970	0.4%	54,310,365	57,492,746	-5.5%
Revenue	\$1,366,421	\$1,396,224	-2.1%	\$11,422,146	\$12,081,588	-5.5%
<i>Periodicals:</i>						
Volume*	587,005	579,389	1.3%	4,581,350	4,781,459	-4.2%
Revenue	\$149,553	\$147,545	1.4%	\$1,180,139	\$1,226,360	-3.8%
<i>Package Services:</i>						
Volume*	45,937	46,617	-1.5%	435,949	453,445	-3.9%
Revenue	\$119,415	\$116,469	2.5%	\$1,091,967	\$1,090,859	0.1%
<b>Total Mailing Services:(c)</b>						
Volume*	12,872,819	12,865,299	0.1%	107,720,617	113,458,123	-5.1%
Revenue **	\$4,230,369	\$4,373,026	-3.3%	\$36,795,584	\$38,411,871	-4.2%
<b>Total Shipping Services:(c)</b>						
Volume*	274,781	134,216	104.7%	1,637,079	1,048,049	56.2%
Revenue	\$1,052,547	\$748,624	40.6%	\$7,686,933	\$6,326,468	21.5%
<b>Postal Service Totals</b>						
Volume*	13,147,600	12,999,515	1.1%	109,357,696	114,506,173	-4.5%
Revenue	\$5,282,916	\$5,121,650	3.1%	\$44,482,517	\$44,738,339	-0.6%

\* 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.

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**USPS Preliminary Expenses (Unaudited)**

**May 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	\$1,407	\$1,387	\$1,384	1.4%	1.7%	\$11,390	\$11,164	\$11,405	2.0%	-0.1%
Mail Processing	710	702	730	1.2%	-2.7%	5,980	5,914	6,125	1.1%	-2.4%
Customer Services and Retail	489	489	510	0.0%	-4.1%	4,038	4,003	4,248	0.9%	-4.9%
Rural Delivery	535	525	515	2.0%	3.8%	4,116	4,055	4,043	1.5%	1.8%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	872	791	791	10.2%	10.3%	6,376	6,496	6,513	-1.8%	-2.1%
<b>Total Salaries &amp; Benefits</b>	<b>\$4,014</b>	<b>\$3,894</b>	<b>\$3,930</b>	<b>3.1%</b>	<b>2.1%</b>	<b>\$31,900</b>	<b>\$31,632</b>	<b>\$32,334</b>	<b>0.8%</b>	<b>-1.3%</b>
<b>Other Personnel Related Expenses</b>										
Retiree Health Benefits Current Premiums	\$220	\$217	\$207	1.4%	6.3%	\$1,735	\$1,718	\$1,611	1.0%	7.7%
Worker's Compensation Caseload Expenses	100	112	111	-10.7%	-9.9%	850	882	787	-3.6%	8.1%
All Other Personnel Related Expenses	5	12	47	-55.7%	-88.6%	94	106	137	-10.9%	-31.2%
<b>Total Other Personnel Related Expenses</b>	<b>\$325</b>	<b>\$341</b>	<b>\$364</b>	<b>-4.5%</b>	<b>-10.7%</b>	<b>\$2,679</b>	<b>\$2,706</b>	<b>\$2,535</b>	<b>-1.0%</b>	<b>5.7%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,339</b>	<b>\$4,235</b>	<b>\$4,295</b>	<b>2.5%</b>	<b>1.0%</b>	<b>\$34,579</b>	<b>\$34,338</b>	<b>\$34,868</b>	<b>0.7%</b>	<b>-0.8%</b>
<b>PSRHB Expenses (b)</b>	<b>\$1,017</b>	<b>\$1,017</b>	<b>\$458</b>	<b>0.0%</b>	<b>121.8%</b>	<b>\$8,133</b>	<b>\$8,133</b>	<b>\$3,667</b>	<b>0.0%</b>	<b>121.8%</b>
<b>Workers' Compensation (a)</b>	<b>668</b>	<b>2</b>	<b>437</b>	<b>NM</b>	<b>NM</b>	<b>1,238</b>	<b>26</b>	<b>259</b>	<b>NM</b>	<b>NM</b>
<b>Total Personnel Compensation and Benefits</b>	<b>\$6,023</b>	<b>\$5,253</b>	<b>\$5,190</b>	<b>14.7%</b>	<b>16.3%</b>	<b>\$43,950</b>	<b>\$42,497</b>	<b>\$38,794</b>	<b>3.4%</b>	<b>13.3%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$550	\$508	\$516	8.3%	6.7%	\$4,534	\$4,330	\$4,271	4.7%	6.1%
Supplies and Services	196	176	175	11.2%	11.8%	1,460	1,537	1,481	-5.0%	-1.5%
Depreciation and Amortization	171	178	198	-4.0%	-13.4%	1,412	1,500	1,543	-5.9%	-8.5%
Rent	81	89	85	-8.8%	-4.8%	686	736	702	-6.8%	-2.2%
Utilities and Heating Fuel	42	50	47	-16.0%	-11.4%	393	424	427	-7.4%	-7.6%
Vehicle Maintenance Service	87	87	85	-0.2%	1.5%	670	657	639	2.0%	4.8%
Information Technology	41	30	35	35.7%	17.6%	295	282	288	4.7%	2.4%
Rural Carrier Equipment Maintenance Allowance	49	44	46	11.5%	6.7%	382	367	356	4.0%	7.4%
Other	78	80	89	-3.3%	-12.8%	684	711	785	-3.8%	-12.9%
<b>Total Non-Personnel Expenses</b>	<b>\$1,295</b>	<b>\$1,243</b>	<b>\$1,276</b>	<b>4.2%</b>	<b>1.4%</b>	<b>\$10,514</b>	<b>\$10,544</b>	<b>\$10,492</b>	<b>-0.3%</b>	<b>0.2%</b>
<b>Total Operating Expenses</b>	<b>\$7,318</b>	<b>\$6,496</b>	<b>\$6,466</b>	<b>12.7%</b>	<b>13.4%</b>	<b>\$54,464</b>	<b>\$53,041</b>	<b>\$49,286</b>	<b>2.7%</b>	<b>10.5%</b>
Interest Expense	16	19	14	-14.4%	11.3%	126	144	116	-12.5%	8.9%
<b>Total Expenses</b>	<b>\$7,334</b>	<b>\$6,515</b>	<b>\$6,480</b>	<b>12.6%</b>	<b>13.4%</b>	<b>\$54,590</b>	<b>\$53,185</b>	<b>\$49,402</b>	<b>2.6%</b>	<b>10.5%</b>

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**USPS Preliminary Workhours (Unaudited)**

**May 2012**

**(Thousands)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	31,835	31,839	32,324	0.0%	-1.5%	260,174	257,069	267,552	1.2%	-2.8%
Mail Processing	16,819	16,311	17,293	3.1%	-2.7%	143,252	138,481	146,714	3.4%	-2.4%
Customer Services	11,786	11,510	12,134	2.4%	-2.9%	97,524	94,950	101,941	2.7%	-4.3%
Rural Delivery	15,296	15,054	14,963	1.6%	2.2%	118,374	117,381	117,948	0.8%	0.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,608	17,210	17,468	-3.5%	-4.9%	133,427	135,003	138,848	-1.2%	-3.9%
<b>Total Workhours</b>	<b>92,344</b>	<b>91,924</b>	<b>94,182</b>	<b>0.5%</b>	<b>-2.0%</b>	<b>752,751</b>	<b>742,884</b>	<b>773,003</b>	<b>1.3%</b>	<b>-2.6%</b>

(b) Retiree Health Benefit Expenses - The \$8,133 million Year-to-date Retirement Health Benefit expense represents 8/12 and 8/10 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.

(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 March 31, 2012 which was released on May 10, 2012. The 10-Q is available by following this link, <http://about.usps.com/who-we-are/financials/financial-conditions-results-reports/fy2012-q2.pdf>.

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