

USPS Preliminary Financial Information (Unaudited)

June 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$5,039	\$4,994	\$5,144	0.9%	-2.0%	\$49,440	\$48,634	\$49,793	1.7%	-0.7%
Government Appropriations	11	14	12	-21.3%	-9.1%	77	\$122	105	-37.2%	-26.8%
Total Operating Revenue	\$5,050	\$5,008	\$5,156	0.9%	-2.0%	\$49,517	\$48,756	\$49,888	1.6%	-0.7%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,164	\$4,076	\$4,072	2.2%	2.3%	\$37,883	\$37,532	\$38,154	0.9%	-0.7%
Workers Compensation Caseload Expense	110	112	109	-1.1%	1.3%	966	994	895	-2.8%	7.9%
Transportation	515	496	499	3.9%	3.2%	5,048	4,826	4,770	4.6%	5.8%
Supplies and Services	179	195	175	-8.1%	2.3%	1,638	1,731	1,656	-5.4%	-1.1%
Other Expenses	547	632	979	-13.5%	-44.2%	5,068	5,311	5,719	-4.6%	-11.4%
Total Controllable Operating Expenses	\$5,515	\$5,511	\$5,834	0.1%	-5.5%	\$50,603	\$50,394	\$51,194	0.4%	-1.2%
Controllable Operating Income (Loss)	(\$464)	(\$503)	(\$678)			(\$1,086)	(\$1,638)	(\$1,307)		
PSRHBF Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$9,150	\$9,150	\$4,125	0.0%	121.8%
Workers Compensation (a)	58	2	(144)	NM	NM	1,289	27	115	NM	NM
Net Operating Income (Loss)	(\$1,539)	(\$1,522)	(\$993)			(\$11,526)	(\$10,815)	(\$5,547)		
Interest Income	\$2	\$2	\$2	10.5%	0.2%	\$18	\$17	\$19	7.6%	-2.1%
Interest Expense	\$15	\$17	\$14	-16.8%	12.2%	\$141	\$161	\$130	-12.4%	9.2%
Net Income (Loss)	(\$1,552)	(\$1,538)	(\$1,004)			(\$11,649)	(\$10,960)	(\$5,657)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mailing Services Volume	12,172	12,189	12,992	-0.1%	-6.3%	119,892	117,922	126,450	1.7%	-5.2%
Total Shipping Services Volume	214	198	140	8.1%	52.6%	1,851	1,798	1,188	2.9%	55.8%
Total Mail Volume	12,386	12,387	13,132	0.0%	-5.7%	121,743	119,720	127,638	1.7%	-4.6%
Total Workhours (Millions)	92	89	94	2.9%	-2.2%	847	832	867	1.8%	-2.3%
Total Career Employees						540,498				
Total Non-Career Employees						97,521				

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 June 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)

June 2012

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume*	5,671,095	6,018,121	-5.8%	53,717,074	56,399,140	-4.8%
Revenue	\$2,463,005	\$2,601,437	-5.3%	\$23,410,015	\$24,476,435	-4.4%
<i>Standard Mail:</i>						
Volume*	5,866,750	6,294,081	-6.8%	60,177,115	63,786,827	-5.7%
Revenue	\$1,210,014	\$1,327,195	-8.8%	\$12,632,160	\$13,408,782	-5.8%
<i>Periodicals:</i>						
Volume*	558,070	596,485	-6.4%	5,139,420	5,377,944	-4.4%
Revenue	\$138,161	\$150,211	-8.0%	\$1,318,300	\$1,376,571	-4.2%
<i>Package Services:</i>						
Volume*	41,358	45,208	-8.5%	477,307	498,654	-4.3%
Revenue	\$109,818	\$116,544	-5.8%	\$1,201,785	\$1,207,402	-0.5%
Total Mailing Services:(c)						
Volume*	12,171,685	12,991,635	-6.3%	119,892,302	126,449,758	-5.2%
Revenue **	\$4,165,108	\$4,419,920	-5.8%	\$40,960,692	\$42,831,791	-4.4%
Total Shipping Services:(c)						
Volume*	214,035	140,277	52.6%	1,851,114	1,188,326	55.8%
Revenue	\$887,311	\$737,763	20.3%	\$8,574,244	\$7,064,231	21.4%
Postal Service Totals						
Volume*	12,385,720	13,131,912	-5.7%	121,743,416	127,638,084	-4.6%
Revenue	\$5,052,419	\$5,157,683	-2.0%	\$49,534,936	\$49,896,022	-0.7%

* 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)

June 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	\$1,408	\$1,350	\$1,404	4.3%	0.3%	\$12,852	\$12,514	\$12,809	2.7%	0.3%
Mail Processing	684	674	709	1.4%	-3.6%	6,685	6,587	6,834	1.5%	-2.2%
Customer Services and Retail	479	468	511	2.2%	-6.3%	4,534	4,471	4,759	1.4%	-4.7%
Rural Delivery	513	513	505	-0.1%	1.5%	4,628	4,569	4,548	1.3%	1.8%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	858	839	729	2.2%	17.7%	7,131	7,335	7,241	-2.8%	-1.5%
Total Salaries & Benefits	\$3,940	\$3,844	\$3,857	2.5%	2.2%	\$35,830	\$35,476	\$36,191	1.0%	-1.0%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$219	\$218	\$207	0.7%	6.2%	\$1,954	\$1,936	\$1,818	0.9%	7.5%
Worker's Compensation Caseload Expenses	110	112	109	-1.1%	1.3%	966	994	895	-2.8%	7.9%
All Other Personnel Related Expenses	5	14	8	-67.3%	-45.9%	99	120	145	-17.3%	-31.4%
Total Other Personnel Related Expenses	\$334	\$344	\$324	-3.0%	3.1%	\$3,019	\$3,050	\$2,858	-1.0%	5.6%
Controllable Personnel Compensation and Benefits	\$4,274	\$4,188	\$4,181	2.1%	2.2%	\$38,849	\$38,526	\$39,049	0.8%	-0.5%
PSRHBF Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$9,150	\$9,150	\$4,125	0.0%	121.8%
Workers' Compensation (a)	58	2	(144)	NM	NM	1,289	27	115	NM	NM
Total Personnel Compensation and Benefits	\$5,349	\$5,207	\$4,496	2.7%	19.0%	\$49,288	\$47,704	\$43,290	3.3%	13.9%
Non-Personnel Expenses:										
Transportation	\$515	\$496	\$499	3.9%	3.2%	\$5,048	\$4,826	\$4,770	4.6%	5.8%
Supplies and Services	179	195	175	-8.1%	2.3%	1,638	1,731	1,656	-5.4%	-1.1%
Depreciation and Amortization	167	177	195	-5.5%	-14.0%	1,579	1,677	1,738	-5.8%	-9.1%
Rent	81	86	81	-6.6%	-0.1%	767	823	783	-6.8%	-2.0%
Utilities and Heating Fuel	50	52	54	-5.5%	-7.9%	444	477	481	-7.0%	-7.7%
Vehicle Maintenance Service	79	83	86	-5.1%	-8.3%	748	740	725	1.2%	3.3%
Information Technology	38	42	40	-10.2%	-6.3%	332	323	328	2.8%	1.3%
Rural Carrier Equipment Maintenance Allowance	49	63	47	-22.1%	3.3%	431	430	403	0.4%	6.9%
Other	84	130	476	-35.4%	-82.4%	766	841	1,261	-9.0%	-39.3%
Total Non-Personnel Expenses	\$1,240	\$1,323	\$1,653	-6.3%	-25.0%	\$11,754	\$11,867	\$12,145	-1.0%	-3.2%
Total Operating Expenses	\$6,589	\$6,530	\$6,148	0.9%	7.2%	\$61,043	\$59,571	\$55,434	2.5%	10.1%
Interest Expense	15	17	14	-16.8%	12.2%	141	161	130	-12.4%	9.2%
Total Expenses	\$6,604	\$6,547	\$6,162	0.9%	7.2%	\$61,184	\$59,732	\$55,564	2.4%	10.1%

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USPS Preliminary Workhours (Unaudited)

June 2012

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	32,161	31,484	32,940	2.1%	-2.4%	293,552	289,201	300,512	1.5%	-2.3%
Mail Processing	16,330	15,728	16,840	3.8%	-3.0%	159,958	154,209	163,562	3.7%	-2.2%
Customer Services	11,720	12,434	12,185	-5.7%	-3.8%	109,659	107,387	114,140	2.1%	-3.9%
Rural Delivery	14,994	14,997	14,869	0.0%	0.8%	133,323	132,382	132,813	0.7%	0.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,519	14,475	16,940	14.1%	-2.5%	150,667	149,307	155,791	0.9%	-3.3%
Total Workhours	91,724	89,118	93,774	2.9%	-2.2%	847,159	832,486	866,818	1.8%	-2.3%

(b) Retiree Health Benefit Expenses - The \$9,150 million Year-to-date Retirement Health Benefit expense represents 9/12 and 9/10 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. The Postal Service was forced to default on the \$5.5 billion prefunding payment for retiree health benefits on August 1, 2012. Absent legislative changes, the Postal Service will also default on a second similar payment of \$5.6 billion due on September 30, 2012.

(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 June 30, 2012 which was released on August 9, 2012. The 10-Q is available by following this link, <http://about.usps.com/who-we-are/financials/financial-conditions-results-reports/fy2012-q3.pdf>

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