

USPS Preliminary Financial Information (Unaudited)

DECEMBER 2010

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$6,156	\$6,447	\$6,652	-4.5%	-7.4%	\$17,841	\$18,029	\$18,323	-1.0%	-2.6%
Government Appropriations	\$12	\$12	\$11	0.9%	12.2%	\$35	\$31	\$31	15.0%	12.2%
Total Operating Revenue	\$6,168	\$6,459	\$6,663	-4.5%	-7.4%	\$17,877	\$18,060	\$18,355	-1.0%	-2.6%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,800	\$4,733	\$4,627	1.4%	3.7%	\$13,293	\$13,079	\$13,314	1.6%	-0.2%
Workers Compensation Caseload Expense	\$94	\$89	\$77	4.6%	21.3%	\$291	\$278	\$252	4.6%	15.3%
Transportation	\$640	\$566	\$571	13.0%	12.0%	\$1,661	\$1,555	\$1,513	6.8%	9.8%
Supplies and Services	\$228	\$218	\$232	4.3%	-1.8%	\$573	\$592	\$549	-3.3%	4.4%
Other Expenses	\$594	\$608	\$611	-2.2%	-2.8%	\$1,697	\$1,751	\$1,683	-3.1%	0.8%
Total Controllable Operating Expenses	\$6,355	\$6,215	\$6,118	2.3%	3.9%	\$17,515	\$17,255	\$17,310	1.5%	1.2%
Controllable Operating Income (Loss)	(\$187)	\$244	\$545			\$362	\$805	\$1,045		
PSRHBF Expenses	\$458	\$458	\$458	0.0%	0.0%	\$1,375	\$1,375	\$1,375	0.0%	0.0%
Workers Compensation (a)	(\$502)	\$25	(\$103)	NM	NM	(\$723)	\$64	(\$66)	NM	NM
Net Operating Income (Loss)	(\$143)	(\$239)	\$190			(\$290)	(\$634)	(\$263)		
Interest Income	\$2	\$2	\$2	1.8%	1.3%	\$6	\$6	\$6	3.9%	-0.1%
Interest Expense	\$15	\$18	\$13	-20.4%	12.3%	\$45	\$50	\$40	-10.8%	13.1%
Net Income (Loss)	(\$156)	(\$255)	\$179			(\$329)	(\$678)	(\$297)		

Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mailing Services Volume	14,723	14,808	15,304	-0.6%	-3.8%	45,935	45,364	45,238	1.3%	1.5%
Total Shipping Services Volume	173	172	164	0.6%	5.0%	422	428	412	-1.4%	2.6%
Total Mail Volume	14,896	14,980	15,468	-0.6%	-3.7%	46,357	45,792	45,650	1.2%	1.5%
Total Workhours (Millions)	105	104	107	0.9%	-1.4%	297	294	304	1.1%	-2.1%
Total Career Employees						578,292				
Total Non-Career Employees						96,592				

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 December 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)

DECEMBER 2010

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume*	7,511,856	8,040,828	-6.6%	19,989,041	21,186,437	-5.7%
Revenue	\$3,289,493	\$3,554,915	-7.5%	\$8,766,417	\$9,310,146	-5.8%
<i>Standard Mail:</i>						
Volume*	6,484,203	6,531,052	-0.7%	23,756,705	21,867,461	8.6%
Revenue	\$1,404,165	\$1,392,369	0.8%	\$4,994,801	\$4,662,253	7.1%
<i>Periodicals:</i>						
Volume*	627,853	625,039	0.5%	1,845,749	1,870,570	-1.3%
Revenue	\$157,895	\$162,335	-2.7%	\$480,064	\$491,923	-2.4%
<i>Package Services:</i>						
Volume*	68,396	68,951	-0.8%	186,494	177,825	4.9%
Revenue	\$177,491	\$173,073	2.6%	\$430,719	\$411,536	4.7%
Total Mailing Services:						
Volume*	14,723,219	15,304,021	-3.8%	45,934,704	45,238,640	1.5%
Revenue **	\$5,075,940	\$5,602,720	-9.4%	\$15,307,534	\$15,828,596	-3.3%
Total Shipping Services:						
Volume*	172,678	164,406	5.0%	422,569	411,766	2.6%
Revenue	\$1,094,108	\$1,062,345	3.0%	\$2,575,322	\$2,533,020	1.7%
Postal Service Totals						
Volume*	14,895,897	15,468,427	-3.7%	46,357,272	45,650,406	1.5%
Revenue	\$6,170,048	\$6,665,065	-7.4%	\$17,882,855	\$18,361,616	-2.6%

* 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.

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USPS Preliminary Expenses (Unaudited)

DECEMBER 2010

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits										
City Delivery	\$1,533	\$1,524	\$1,504	0.6%	1.9%	\$4,353	\$4,244	\$4,293	2.6%	1.4%
Mail Processing	861	868	893	-0.8%	-3.6%	2,407	2,282	2,509	5.5%	-4.1%
Customer Services and Retail	592	591	606	0.3%	-2.2%	1,644	1,586	1,715	3.7%	-4.1%
Rural Delivery	529	538	516	-1.7%	2.6%	1,515	1,527	1,477	-0.8%	2.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	1,029	979	884	5.1%	16.4%	2,693	2,777	2,566	-3.0%	4.9%
Total Salaries & Benefits	\$4,545	\$4,500	\$4,403	1.2%	3.2%	\$12,611	\$12,417	\$12,559	1.6%	0.4%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$193	\$194	\$173	-0.5%	11.1%	\$577	\$579	\$522	-0.3%	10.6%
Worker's Compensation Caseload Expenses	94	89	77	4.6%	21.3%	291	278	252	4.6%	15.3%
All Other Personnel Related Expenses	62	39	51	57.3%	22.3%	105	83	233	26.3%	-54.8%
Total Other Personnel Related Expenses	\$348	\$322	\$301	7.9%	15.6%	\$973	\$940	\$1,007	3.5%	-3.3%
Controllable Personnel Compensation and Benefits	\$4,893	\$4,822	\$4,704	1.5%	4.0%	\$13,584	\$13,357	\$13,566	1.7%	0.1%
PSRHBF Expenses	\$458	\$458	\$458	0.0%	0.0%	\$1,375	\$1,375	\$1,375	0.0%	0.0%
Workers' Compensation (a)	(502)	25	(103)	NM	NM	(723)	64	(66)	NM	NM
Total Personnel Compensation and Benefits	\$4,849	\$5,305	\$5,060	-8.6%	-4.2%	\$14,236	\$14,796	\$14,875	-3.8%	-4.3%
Non-Personnel Expenses:										
Transportation	\$640	\$566	\$571	13.0%	12.0%	\$1,661	\$1,555	\$1,513	6.8%	9.8%
Supplies and Services	228	218	232	4.3%	-1.8%	573	592	549	-3.3%	4.4%
Depreciation and Amortization	192	209	243	-8.4%	-21.1%	573	627	627	-8.7%	-8.6%
Rent	88	95	82	-7.4%	7.3%	270	273	262	-1.1%	3.2%
Utilities and Heating Fuel	51	53	51	-4.0%	-0.4%	153	157	152	-2.6%	0.8%
Vehicle Maintenance Service	85	73	77	16.0%	10.3%	223	203	199	9.6%	12.0%
Information Technology	35	35	30	-0.6%	19.1%	86	105	77	-18.7%	10.8%
Rural Carrier Equipment Maintenance Allowance	61	59	48	2.6%	-5.6%	146	144	132	1.5%	11.1%
Other	83	83	80	0.1%	3.5%	248	243	233	1.9%	6.4%
Total Non-Personnel Expenses	\$1,462	\$1,392	\$1,414	5.0%	3.4%	\$3,931	\$3,899	\$3,743	0.8%	5.0%
Total Operating Expenses	\$6,311	\$6,697	\$6,473	-5.8%	-2.5%	\$18,167	\$18,694	\$18,618	-2.8%	-2.4%
Interest Expense	\$15	\$18	\$13	-20.4%	12.3%	\$45	\$50	\$40	-10.8%	13.1%
Total Expenses	\$6,326	\$6,716	\$6,486	-5.8%	-2.5%	\$18,212	\$18,744	\$18,659	-2.8%	-2.2%

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)

DECEMBER 2010

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	35,854	35,522	36,495	0.9%	-1.8%	102,762	101,353	104,344	1.4%	-1.5%
Mail Processing	21,389	20,508	22,084	4.3%	-3.1%	58,363	55,459	60,841	5.2%	-4.1%
Customer Services	14,329	13,907	15,032	3.0%	-4.7%	39,569	38,784	42,058	2.0%	-5.9%
Rural Delivery	15,677	15,702	14,910	-0.2%	5.1%	44,493	44,809	43,535	-0.7%	2.2%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	17,874	18,563	18,054	-3.7%	-1.0%	51,939	53,479	52,744	-2.9%	-1.5%
Total Workhours	105,123	104,202	106,575	0.9%	-1.4%	297,126	293,884	303,522	1.1%	-2.1%

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