

USPS Preliminary Financial Information (Unaudited)

March 2011

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$5,707	\$5,878	\$5,983	-2.9%	-4.6%	\$34,041	\$34,700	\$34,989	-1.9%	-2.7%
Government Appropriations	\$12	\$9	\$10	27.3%	12.2%	\$70	\$63	\$63	10.8%	11.0%
Total Operating Revenue	\$5,719	\$5,887	\$5,993	-2.9%	-4.6%	\$34,111	\$34,763	\$35,052	-1.9%	-2.7%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,369	\$4,393	\$4,469	-0.5%	-2.2%	\$26,269	\$25,670	\$26,548	2.3%	-1.1%
Workers Compensation Caseload Expense	\$52	\$97	\$85	-46.3%	-38.8%	\$537	\$566	\$505	-5.3%	6.3%
Transportation	\$528	\$504	\$435	4.6%	21.2%	\$3,213	\$3,085	\$2,951	4.2%	8.9%
Supplies and Services	\$196	\$216	\$213	-8.9%	-8.0%	\$1,137	\$1,214	\$1,106	-6.4%	2.8%
Other Expenses	\$662	\$632	\$605	4.7%	9.4%	\$3,484	\$3,583	\$3,396	-2.8%	2.6%
Total Controllable Operating Expenses	\$5,807	\$5,842	\$5,807	-0.6%	0.0%	\$34,640	\$34,118	\$34,506	1.5%	0.4%
Controllable Operating Income (Loss)	(\$88)	\$45	\$186			(\$529)	\$645	\$546		
PSRHB Expenses	\$458	\$458	\$458	0.0%	0.0%	\$2,292	\$2,750	\$2,292	-16.7%	0.0%
Workers Compensation (a)	\$111	\$17	\$97	NM	NM	(\$339)	\$118	\$71	NM	NM
Net Operating Income (Loss)	(\$657)	(\$430)	(\$370)			(\$2,482)	(\$2,222)	(\$1,816)		
Interest Income	\$2	\$2	\$2	-12.1%	-8.3%	\$13	\$13	\$13	-2.0%	-1.7%
Interest Expense	\$15	\$19	\$13	-25.2%	9.9%	\$88	\$104	\$78	-14.9%	12.2%
Net Income (Loss)	(\$670)	(\$447)	(\$381)			(\$2,557)	(\$2,313)	(\$1,881)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mailing Services Volume	14,373	15,087	15,277	-4.7%	-5.9%	86,590	87,455	87,188	-1.0%	-0.7%
Total Shipping Services Volume	129	129	122	0.0%	6.0%	774	791	752	-2.1%	3.0%
Total Mail Volume	14,502	15,216	15,398	-4.7%	-5.8%	87,364	88,246	87,940	-1.0%	-0.7%
Total Workhours (Millions)	102	102	106	0.6%	-3.4%	582	577	598	1.0%	-2.7%
Total Career Employees						571,566				
Total Non-Career Employees						89,888				

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 March 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)

March 2011

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume*	6,079,471	7,147,161	-14.9%	38,464,972	41,173,146	-6.6%
Revenue	\$2,690,805	\$3,062,768	-12.1%	\$16,774,398	\$17,922,423	-6.4%
<i>Standard Mail:</i>						
Volume*	7,548,090	7,356,454	2.6%	43,918,128	41,715,153	5.3%
Revenue	\$1,585,665	\$1,562,428	1.5%	\$9,226,740	\$8,857,087	4.2%
<i>Periodicals:</i>						
Volume*	638,143	663,309	-3.8%	3,593,222	3,700,875	-2.9%
Revenue	\$163,555	\$171,096	-4.4%	\$922,811	\$959,997	-3.9%
<i>Package Services:</i>						
Volume*	63,913	62,738	1.9%	353,667	350,294	1.0%
Revenue	\$139,154	\$139,005	0.1%	\$824,575	\$805,558	2.4%
Total Mailing Services:						
Volume*	14,373,382	15,276,855	-5.9%	86,589,811	87,187,702	-0.7%
Revenue **	\$4,928,582	\$5,269,011	-6.5%	\$29,361,054	\$30,449,864	-3.6%
Total Shipping Services:						
Volume*	128,897	121,586	6.0%	774,279	752,065	3.0%
Revenue	\$792,489	\$726,519	9.1%	\$4,762,465	\$4,614,878	3.2%
Postal Service Totals						
Volume*	14,502,278	15,398,441	-5.8%	87,364,089	87,939,767	-0.7%
Revenue	\$5,721,072	\$5,995,529	-4.6%	\$34,123,519	\$35,064,742	-2.7%

* 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.

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USPS Preliminary Expenses (Unaudited)

March 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	\$1,498	\$1,497	\$1,497	0.1%	0.1%	\$8,583	\$8,441	\$8,515	1.7%	0.8%
Mail Processing	778	\$753	805	3.3%	-3.4%	4,651	4,444	4,842	4.6%	-3.9%
Customer Services and Retail	556	\$555	587	0.3%	-5.3%	3,212	3,143	3,355	2.2%	-4.3%
Rural Delivery	541	\$550	528	-1.6%	2.5%	3,009	3,042	2,946	-1.1%	2.1%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	776	\$783	763	-0.9%	1.7%	4,999	5,192	4,980	-3.7%	0.4%
Total Salaries & Benefits	\$4,149	\$4,137	\$4,180	0.6%	-0.7%	\$24,453	\$24,264	\$24,638	0.9%	-0.7%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$209	\$207	\$188	1.0%	11.2%	\$1,657	\$1,197	\$1,535	38.4%	7.9%
Worker's Compensation Caseload Expenses	52	\$97	85	-46.3%	-38.8%	537	566	505	-5.3%	6.3%
All Other Personnel Related Expenses	11	49	101	-77.1%	-88.9%	159	209	375	-24.0%	-57.7%
Total Other Personnel Related Expenses	\$272	\$353	\$374	-22.9%	-27.3%	\$2,352	\$1,972	\$2,415	19.2%	-2.6%
Controllable Personnel Compensation and Benefits	\$4,421	\$4,490	\$4,554	-1.5%	-2.9%	\$26,805	\$26,236	\$27,053	2.2%	-0.9%
PSRHBF Expenses	\$458	\$458	\$458	0.0%	0.0%	\$2,292	\$2,750	\$2,292	-16.7%	0.0%
Workers' Compensation (a)	111	17	97	NM	NM	(339)	118	71	NM	NM
Total Personnel Compensation and Benefits	\$4,990	\$4,966	\$5,109	0.5%	-2.3%	\$28,758	\$29,104	\$29,415	-1.2%	-2.2%
Non-Personnel Expenses:										
Transportation	\$528	\$504	\$435	4.6%	21.2%	\$3,213	\$3,085	\$2,951	4.2%	8.9%
Supplies and Services	196	\$216	213	-8.9%	-8.0%	1,137	\$1,214	1,106	-6.4%	2.8%
Depreciation and Amortization	194	\$209	198	-7.5%	-2.0%	1,150	\$1,264	1,224	-9.0%	-6.0%
Rent	90	\$94	91	-5.0%	-1.5%	532	\$554	534	-4.0%	-0.4%
Utilities and Heating Fuel	67	\$63	62	5.6%	7.3%	334	\$341	327	-2.1%	1.9%
Vehicle Maintenance Service	98	\$70	79	40.0%	24.1%	472	\$406	408	16.3%	15.7%
Information Technology	43	\$41	39	3.4%	9.7%	207	\$231	181	-10.4%	14.1%
Rural Carrier Equipment Maintenance Allowance	48	\$44	47	7.4%	0.9%	264	\$276	261	-4.6%	0.9%
Other	123	109	89	12.9%	38.4%	526	\$510	460	3.2%	14.5%
Total Non-Personnel Expenses	\$1,386	\$1,352	\$1,254	2.5%	10.5%	\$7,835	\$7,881	\$7,453	-0.6%	5.1%
Total Operating Expenses	\$6,376	\$6,318	\$6,363	0.9%	0.2%	\$36,592	\$36,985	\$36,868	-1.1%	-0.7%
Interest Expense	\$15	\$19	\$13	-25.2%	9.9%	\$88	\$104	\$78	-14.9%	12.2%
Total Expenses	\$6,391	\$6,337	\$6,376	0.9%	0.2%	\$36,680	\$37,089	\$36,946	-1.1%	-0.7%

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)

March 2011

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	35,525	35,408	36,659	0.3%	-3.1%	201,487	199,641	205,784	0.9%	-2.1%
Mail Processing	18,686	17,923	19,576	4.3%	-4.5%	111,862	107,112	117,182	4.4%	-4.5%
Customer Services	13,527	13,376	14,616	1.1%	-7.5%	77,206	75,803	82,367	1.9%	-6.3%
Rural Delivery	15,776	15,923	15,754	-0.9%	0.1%	87,779	88,080	87,353	-0.3%	0.5%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	18,910	19,146	19,387	-1.2%	-2.5%	104,014	106,067	105,631	-1.9%	-1.5%
Total Workhours	102,424	101,776	105,992	0.6%	-3.4%	582,348	576,703	598,317	1.0%	-2.7%

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