

**USPS Preliminary Financial Information (Unaudited)**

**July 2011**

**(\$ Millions)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
<b>Operating Revenue:</b>										
Mail and Services Revenue	\$5,049	\$5,238	\$5,319	-3.6%	-5.1%	\$54,821	\$56,446	\$56,322	-2.9%	-2.7%
Government Appropriations	12	13	11	-11.2%	12.2%	117	104	105	12.2%	11.5%
<b>Total Operating Revenue</b>	<b>\$5,061</b>	<b>\$5,251</b>	<b>\$5,330</b>	<b>-3.6%</b>	<b>-5.0%</b>	<b>\$54,938</b>	<b>\$56,550</b>	<b>\$56,427</b>	<b>-2.9%</b>	<b>-2.6%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,164	\$4,349	\$4,306	-4.2%	-3.3%	\$42,311	\$42,430	\$42,735	-0.3%	-1.0%
Workers Compensation Caseload Expense	106	147	90	-28.2%	18.0%	940	1,011	873	-7.0%	7.7%
Transportation	530	476	464	11.4%	14.3%	5,300	4,978	4,884	6.5%	8.5%
Supplies and Services	144	190	166	-24.3%	-13.5%	1,800	2,014	1,821	-10.7%	-1.2%
Other Expenses	590	685	583	-14.0%	1.2%	6,316	6,250	5,799	1.0%	8.9%
<b>Total Controllable Operating Expenses</b>	<b>\$5,534</b>	<b>\$5,847</b>	<b>\$5,608</b>	<b>-5.4%</b>	<b>-1.3%</b>	<b>\$56,667</b>	<b>\$56,684</b>	<b>\$56,113</b>	<b>0.0%</b>	<b>1.0%</b>
<b>Controllable Operating Income (Loss)</b>	<b>(\$473)</b>	<b>(\$596)</b>	<b>(\$278)</b>			<b>(\$1,729)</b>	<b>(\$134)</b>	<b>\$315</b>		
PSRHBFB Expenses	\$458	\$458	\$458	0.0%	0.0%	\$4,583	\$4,583	\$4,583	0.0%	0.0%
Workers Compensation (a)	384	(33)	16	NM	NM	550	129	1,765	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$1,315)</b>	<b>(\$1,021)</b>	<b>(\$753)</b>			<b>(\$6,862)</b>	<b>(\$4,846)</b>	<b>(\$6,034)</b>		
Interest Income	\$2	\$2	\$2	-13.5%	-1.0%	\$21	\$22	\$21	-6.1%	-0.8%
Interest Expense	\$14	\$19	\$13	-26.2%	7.7%	\$144	\$180	\$130	-20.4%	10.6%
<b>Net Income (Loss)</b>	<b>(\$1,327)</b>	<b>(\$1,038)</b>	<b>(\$764)</b>			<b>(\$6,985)</b>	<b>(\$5,004)</b>	<b>(\$6,143)</b>		

<b>Other Operating Statistics:</b>										
<b>Mail Volume: (Millions)</b>										
Total Mailing Services Volume	12,839	12,810	13,782	0.2%	-6.8%	138,911	141,834	141,536	-2.1%	-1.9%
Total Shipping Services Volume	113	106	106	6.6%	6.3%	1,247	1,261	1,197	-1.1%	4.1%
Total Mail Volume	12,952	12,916	13,888	0.3%	-6.7%	140,158	143,095	142,734	-2.1%	-1.8%
Total Workhours (Millions)	90	91	97	-0.6%	-6.6%	957	951	989	0.6%	-3.2%
Total Career Employees						561,387				
Total Non-Career Employees						88,261				

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 July 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)

July 2011

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class:</i>						
Volume*	5,733,449	6,300,091	-9.0%	61,893,368	66,372,404	-6.7%
Revenue	\$2,505,668	\$2,731,398	-8.3%	\$27,042,381	\$28,900,394	-6.4%
<i>Standard Mail:</i>						
Volume*	6,490,496	6,823,034	-4.9%	70,158,684	68,097,464	3.0%
Revenue	\$1,357,580	\$1,408,068	-3.6%	\$14,763,455	\$14,374,311	2.7%
<i>Periodicals:</i>						
Volume*	535,330	564,982	-5.2%	5,914,076	6,105,456	-3.1%
Revenue	\$134,690	\$141,658	-4.9%	\$1,511,216	\$1,569,375	-3.7%
<i>Package Services:</i>						
Volume*	47,181	52,887	-10.8%	543,651	548,863	-0.9%
Revenue	\$112,895	\$112,350	0.5%	\$1,291,216	\$1,260,462	2.4%
<b>Total Mailing Services:</b>						
Volume*	12,839,194	13,781,759	-6.8%	138,910,992	141,536,204	-1.9%
Revenue **	\$4,374,673	\$4,678,122	-6.5%	\$47,300,702	\$49,121,321	-3.7%
<b>Total Shipping Services:</b>						
Volume*	112,774	106,083	6.3%	1,246,509	1,197,374	4.1%
Revenue	\$688,322	\$653,772	5.3%	\$7,658,316	\$7,326,907	4.5%
<b>Postal Service Totals</b>						
Volume*	12,951,968	13,887,842	-6.7%	140,157,501	142,733,578	-1.8%
Revenue	\$5,062,995	\$5,331,894	-5.0%	\$54,959,018	\$56,448,228	-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)**

July 2011

(\$ 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	\$1,385	\$1,346	\$1,432	2.8%	-3.3%	\$14,194	\$13,894	\$14,146	2.2%	0.3%
Mail Processing	712	682	741	4.4%	-3.9%	7,546	7,198	7,846	4.8%	-3.8%
Customer Services and Retail	488	483	535	1.0%	-8.7%	5,247	5,147	5,511	1.9%	-4.8%
Rural Delivery	505	515	512	-2.0%	-1.4%	5,052	5,110	4,961	-1.1%	1.8%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	846	1,092	873	-22.5%	-3.1%	8,088	8,720	8,119	-7.2%	-0.4%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,935</b>	<b>\$4,119</b>	<b>\$4,092</b>	<b>-4.7%</b>	<b>-3.8%</b>	<b>\$40,126</b>	<b>\$40,069</b>	<b>\$40,582</b>	<b>0.2%</b>	<b>-1.1%</b>
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$206	\$209	\$196	-1.1%	5.0%	\$2,024	\$2,028	\$1,861	-0.2%	8.8%
Worker's Compensation Caseload Expenses	106	147	90	-28.2%	18.0%	940	1,011	873	-7.0%	7.7%
All Other Personnel Related Expenses	23	22	17	6.9%	36.1%	160	333	291	-51.9%	-45.0%
<b>Total Other Personnel Related Expenses</b>	<b>\$335</b>	<b>\$377</b>	<b>\$303</b>	<b>-11.2%</b>	<b>10.6%</b>	<b>\$3,125</b>	<b>\$3,372</b>	<b>\$3,026</b>	<b>-7.3%</b>	<b>3.3%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,270</b>	<b>\$4,496</b>	<b>\$4,395</b>	<b>-5.0%</b>	<b>-2.8%</b>	<b>\$43,251</b>	<b>\$43,441</b>	<b>\$43,608</b>	<b>-0.4%</b>	<b>-0.8%</b>
PSRHBF Expenses	\$458	\$458	\$458	0.0%	0.0%	\$4,583	\$4,583	\$4,583	0.0%	0.0%
Workers' Compensation (a)	384	(33)	16	NM	NM	550	129	1,765	NM	NM
<b>Total Personnel Compensation and Benefits</b>	<b>\$5,113</b>	<b>\$4,921</b>	<b>\$4,870</b>	<b>3.9%</b>	<b>4.9%</b>	<b>\$48,385</b>	<b>\$48,153</b>	<b>\$49,957</b>	<b>0.5%</b>	<b>-2.4%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$530	\$476	\$464	11.4%	14.3%	\$5,300	\$4,978	\$4,884	6.5%	8.5%
Supplies and Services	144	190	166	-24.3%	-13.5%	1,800	2,014	1,821	-10.7%	-1.2%
Depreciation and Amortization	199	209	208	-5.0%	-4.2%	1,937	2,113	2,050	-8.3%	-5.5%
Rent	83	88	88	-5.8%	-5.4%	866	912	880	-5.1%	-1.6%
Utilities and Heating Fuel	59	58	56	1.4%	4.7%	539	553	517	-2.4%	4.4%
Vehicle Maintenance Service	75	70	54	7.1%	37.3%	800	683	668	17.1%	19.6%
Information Technology	51	83	46	-38.6%	10.7%	379	504	331	-24.8%	14.6%
Rural Carrier Equipment Maintenance Allowance	49	64	46	-22.6%	8.4%	453	471	443	-3.8%	2.2%
Other	74	113	85	-34.8%	-13.3%	1,343	1,015	911	32.3%	47.4%
<b>Total Non-Personnel Expenses</b>	<b>\$1,263</b>	<b>\$1,351</b>	<b>\$1,213</b>	<b>-6.5%</b>	<b>4.7%</b>	<b>\$13,416</b>	<b>\$13,243</b>	<b>\$12,504</b>	<b>1.3%</b>	<b>4.3%</b>
<b>Total Operating Expenses</b>	<b>\$6,376</b>	<b>\$6,272</b>	<b>\$6,082</b>	<b>1.7%</b>	<b>4.8%</b>	<b>\$61,800</b>	<b>\$61,396</b>	<b>\$62,461</b>	<b>0.7%</b>	<b>-1.1%</b>
Interest Expense	14	19	13	-26.2%	7.7%	144	180	130	-20.4%	10.6%
<b>Total Expenses</b>	<b>\$6,390</b>	<b>\$6,291</b>	<b>\$6,095</b>	<b>1.6%</b>	<b>4.8%</b>	<b>\$61,944</b>	<b>\$61,576</b>	<b>\$62,591</b>	<b>0.6%</b>	<b>-1.0%</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)**

**July 2011**

**(Thousands)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	31,502	31,347	33,709	0.5%	-6.5%	332,054	329,580	341,180	0.8%	-2.7%
Mail Processing	16,507	16,203	17,542	1.9%	-5.9%	180,081	173,157	188,775	4.0%	-4.6%
Customer Services	11,335	11,491	12,736	-1.4%	-11.0%	125,487	124,475	134,793	0.8%	-6.9%
Rural Delivery	14,677	14,644	15,258	0.2%	-3.8%	147,489	147,689	147,425	-0.1%	0.0%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,126	16,961	17,257	-4.9%	-6.6%	171,928	176,026	176,390	-2.3%	-2.5%
<b>Total Workhours</b>	<b>90,147</b>	<b>90,646</b>	<b>96,502</b>	<b>-0.6%</b>	<b>-6.6%</b>	<b>957,039</b>	<b>950,927</b>	<b>988,563</b>	<b>0.6%</b>	<b>-3.2%</b>

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