

**USPS Preliminary Financial Information (Unaudited)**

**December 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	\$6,370	\$6,147	\$6,156	3.6%	3.5%	\$17,654	\$17,086	\$17,842	3.3%	-1.1%
Government Appropriations	(4)	\$14	12	-127.9%	-140.8%	23	41	35	-44.9%	-36.1%
<b>Total Operating Revenue</b>	<b>\$6,366</b>	<b>\$6,161</b>	<b>\$6,168</b>	<b>3.3%</b>	<b>3.2%</b>	<b>\$17,677</b>	<b>\$17,127</b>	<b>\$17,877</b>	<b>3.2%</b>	<b>-1.1%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,686	\$4,675	\$4,762	0.2%	-1.6%	\$13,115	\$13,036	\$13,244	0.6%	-1.0%
Workers Compensation Caseload Expense	92	101	94	-8.8%	-1.5%	297	311	291	-4.4%	2.2%
Transportation	679	647	640	5.0%	6.2%	1,766	1,711	1,661	3.2%	6.3%
Supplies and Services	203	210	228	-3.5%	-11.1%	536	561	573	-4.5%	-6.4%
Other Expenses	605	621	632	-2.5%	-4.2%	1,710	1,747	1,747	-2.1%	-2.1%
<b>Total Controllable Operating Expenses</b>	<b>\$6,266</b>	<b>\$6,254</b>	<b>\$6,355</b>	<b>0.2%</b>	<b>-1.4%</b>	<b>\$17,425</b>	<b>\$17,367</b>	<b>\$17,515</b>	<b>0.3%</b>	<b>-0.5%</b>
<b>Controllable Operating Income (Loss)</b>	<b>\$100</b>	<b>(\$93)</b>	<b>(\$187)</b>			<b>\$252</b>	<b>(\$240)</b>	<b>\$362</b>		
PSRHBF Expenses (b)	\$1,200	\$925	\$458	29.7%	161.8%	\$3,050	\$2,775	\$1,375	9.9%	121.8%
Workers Compensation (a)	309	12	(502)	NM	NM	447	29	(723)	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$1,409)</b>	<b>(\$1,030)</b>	<b>(\$143)</b>			<b>(\$3,246)</b>	<b>(\$3,045)</b>	<b>(\$291)</b>		
Interest Income	\$2	\$2	\$2	10.5%	-1.8%	\$6	\$6	\$6	5.3%	-2.2%
Interest Expense	\$16	\$18	\$15	-15.3%	6.8%	\$48	\$52	\$45	-9.1%	6.2%
<b>Net Income (Loss)</b>	<b>(\$1,422)</b>	<b>(\$1,047)</b>	<b>(\$156)</b>			<b>(\$3,287)</b>	<b>(\$3,091)</b>	<b>(\$329)</b>		
<b>Other Operating Statistics:</b>										
<b>Mail Volume: (Millions)</b>										
Total Mailing Services Volume	13,943	13,302	14,794	4.8%	-5.8%	43,184	41,393	46,113	4.3%	-6.4%
Total Shipping Services Volume	224	223	169	0.4%	32.9%	564	556	423	1.4%	33.3%
<b>Total Mail Volume</b>	<b>14,167</b>	<b>13,525</b>	<b>14,963</b>	<b>4.7%</b>	<b>-5.3%</b>	<b>43,748</b>	<b>41,949</b>	<b>46,536</b>	<b>4.3%</b>	<b>-6.0%</b>
<b>Total Workhours (Millions)</b>	<b>102</b>	<b>101</b>	<b>105</b>	<b>1.1%</b>	<b>-2.8%</b>	<b>289</b>	<b>287</b>	<b>297</b>	<b>0.8%</b>	<b>-2.8%</b>
Total Career Employees						550,332				
Total Non-Career Employees						99,854				

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 December 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)

**December 2011**

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class:</i>						
Volume*	7,329,264	7,553,447	-3.0%	19,033,920	20,043,452	-5.0%
Revenue	\$3,219,855	\$3,313,173	-2.8%	\$8,254,078	\$8,749,003	-5.7%
<i>Standard Mail:</i>						
Volume*	5,974,251	6,506,984	-8.2%	22,072,447	23,872,353	-7.5%
Revenue	\$1,289,219	\$1,384,155	-6.9%	\$4,691,066	\$4,995,699	-6.1%
<i>Periodicals:</i>						
Volume*	549,914	625,562	-12.1%	1,727,760	1,845,502	-6.4%
Revenue	\$138,252	\$158,340	-12.7%	\$444,268	\$480,078	-7.5%
<i>Package Services:</i>						
Volume*	66,383	69,520	-4.5%	177,933	188,268	-5.5%
Revenue	\$191,210	\$187,155	2.2%	\$453,223	\$446,534	1.5%
<b>Total Mailing Services:</b>						
Volume*	13,942,980	14,793,883	-5.8%	43,183,946	46,112,817	-6.4%
Revenue **	\$5,123,678	\$5,084,941	0.8%	\$14,714,300	\$15,298,244	-3.8%
<b>Total Shipping Services:</b>						
Volume*	224,289	168,791	32.9%	563,760	422,835	33.3%
Revenue	\$1,243,918	\$1,085,106	14.6%	\$2,968,527	\$2,584,611	14.9%
<b>Postal Service Totals</b>						
Volume*	14,167,269	14,962,674	-5.3%	43,747,706	46,535,652	-6.0%
Revenue	\$6,367,596	\$6,170,047	3.2%	\$17,682,827	\$17,882,855	-1.1%

\* 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 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	\$1,533	\$1,508	\$1,533	1.7%	0.0%	\$4,376	\$4,299	\$4,353	1.8%	0.5%
Mail Processing	848	861	861	-1.5%	-1.6%	2,358	2,356	2,407	0.1%	-2.0%
Customer Services and Retail	561	561	592	-0.1%	-5.4%	1,564	1,558	1,644	0.4%	-4.9%
Rural Delivery	538	536	529	0.5%	1.7%	1,562	1,522	1,515	2.6%	3.1%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	979	981	1,029	-0.2%	-4.9%	2,584	2,615	2,693	-1.2%	-4.0%
<b>Total Salaries &amp; Benefits</b>	<b>\$4,459</b>	<b>\$4,447</b>	<b>\$4,545</b>	<b>0.3%</b>	<b>-1.9%</b>	<b>\$12,443</b>	<b>\$12,351</b>	<b>\$12,611</b>	<b>0.7%</b>	<b>-1.3%</b>
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$211	\$211	\$193	-0.3%	9.5%	\$630	\$644	\$577	-2.1%	9.2%
Worker's Compensation Caseload Expenses	92	101	94	-8.8%	-1.5%	297	311	291	-4.4%	2.2%
All Other Personnel Related Expenses	17	17	25	1.6%	-31.4%	42	42	56	-0.2%	-24.3%
<b>Total Other Personnel Related Expenses</b>	<b>\$320</b>	<b>\$329</b>	<b>\$311</b>	<b>-2.8%</b>	<b>2.9%</b>	<b>\$970</b>	<b>\$997</b>	<b>\$923</b>	<b>-2.8%</b>	<b>5.0%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,778</b>	<b>\$4,776</b>	<b>\$4,856</b>	<b>0.1%</b>	<b>-1.6%</b>	<b>\$13,412</b>	<b>\$13,348</b>	<b>\$13,534</b>	<b>0.5%</b>	<b>-0.9%</b>
PSRHBF Expenses (b)	\$1,200	\$925	\$458	29.7%	161.8%	\$3,050	\$2,775	\$1,375	9.9%	121.8%
Workers' Compensation (a)	309	12	(502)	NM	NM	447	29	(723)	NM	NM
<b>Total Personnel Compensation and Benefits</b>	<b>\$6,287</b>	<b>\$5,713</b>	<b>\$4,812</b>	<b>10.0%</b>	<b>30.7%</b>	<b>\$16,910</b>	<b>\$16,152</b>	<b>\$14,187</b>	<b>4.7%</b>	<b>19.2%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$679	\$647	\$640	5.0%	6.2%	\$1,766	\$1,711	\$1,661	3.2%	6.3%
Supplies and Services	203	210	228	-3.5%	-11.1%	536	561	573	-4.5%	-6.4%
Depreciation and Amortization	177	189	192	-6.3%	-7.6%	545	585	573	-6.8%	-4.8%
Rent	88	93	88	-5.2%	0.5%	257	281	271	-8.4%	-5.0%
Utilities and Heating Fuel	51	50	51	2.0%	-0.1%	148	148	153	0.1%	-3.5%
Vehicle Maintenance Service	88	88	85	-0.1%	3.7%	245	234	223	4.7%	9.9%
Information Technology	33	27	35	22.6%	-5.5%	88	78	86	13.1%	2.4%
Rural Carrier Equipment Maintenance Allowance	51	62	61	-17.0%	-15.6%	148	148	146	0.0%	1.1%
Other	116	112	120	3.9%	-3.4%	279	273	295	2.4%	-5.4%
<b>Total Non-Personnel Expenses</b>	<b>\$1,487</b>	<b>\$1,478</b>	<b>\$1,499</b>	<b>0.6%</b>	<b>-0.8%</b>	<b>\$4,013</b>	<b>\$4,019</b>	<b>\$3,981</b>	<b>-0.2%</b>	<b>0.8%</b>
<b>Total Operating Expenses</b>	<b>\$7,774</b>	<b>\$7,192</b>	<b>\$6,311</b>	<b>8.1%</b>	<b>23.2%</b>	<b>\$20,922</b>	<b>\$20,172</b>	<b>\$18,167</b>	<b>3.7%</b>	<b>15.2%</b>
Interest Expense	16	18	15	-15.3%	6.8%	48	52	45	-9.1%	6.2%
<b>Total Expenses</b>	<b>\$7,790</b>	<b>\$7,210</b>	<b>\$6,326</b>	<b>8.0%</b>	<b>26.3%</b>	<b>\$20,970</b>	<b>\$20,224</b>	<b>\$18,212</b>	<b>3.7%</b>	<b>17.3%</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)**

**December 2011**

**(Thousands)**

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	34,961	34,481	35,854	1.4%	-2.5%	99,799	99,271	102,762	0.5%	-2.9%
Mail Processing	20,949	20,367	21,389	2.9%	-2.1%	56,936	55,692	58,363	2.2%	-2.4%
Customer Services	13,658	13,308	14,329	2.6%	-4.7%	37,526	37,063	39,569	1.2%	-5.2%
Rural Delivery	15,533	15,337	15,677	1.3%	-0.9%	44,745	43,847	44,493	2.0%	0.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	17,051	17,570	17,874	-3.0%	-4.6%	49,688	50,665	51,939	-1.9%	-4.3%
<b>Total Workhours</b>	<b>102,153</b>	<b>101,063</b>	<b>105,123</b>	<b>1.1%</b>	<b>-2.8%</b>	<b>288,694</b>	<b>286,539</b>	<b>297,126</b>	<b>0.8%</b>	<b>-2.8%</b>

(b) Retiree Health Benefit Expenses - The \$3,050 million Year-to-date Retirement Health Benefit expense represents 3/12 and 3/10 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.

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