

USPS Preliminary Financial Information (Unaudited)

February 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$5,185	\$5,147	\$5,036	0.7%	3.0%	\$28,227	\$27,594	\$28,334	2.3%	-0.4%
Government Appropriations	11	14	12	-22.8%	-10.3%	35	68	58	-49.3%	-40.4%
Total Operating Revenue	\$5,196	\$5,161	\$5,048	0.7%	2.9%	\$28,261	\$27,662	\$28,392	2.2%	-0.5%
Operating Expenses:										
Personnel Compensation and Benefits	\$3,981	\$3,950	\$3,937	0.8%	1.1%	\$21,203	\$21,150	\$21,377	0.3%	-0.8%
Workers Compensation Caseload Expense	92	100	90	-7.7%	2.7%	495	520	485	-4.8%	2.1%
Transportation	527	506	496	4.1%	6.2%	2,882	2,787	2,685	3.4%	7.3%
Supplies and Services	178	195	186	-9.0%	-4.6%	893	962	941	-7.1%	-5.0%
Other Expenses	568	561	569	1.4%	-0.1%	2,833	2,890	2,887	-2.0%	-1.9%
Total Controllable Operating Expenses	\$5,346	\$5,312	\$5,278	0.6%	1.3%	\$28,307	\$28,309	\$28,374	0.0%	-0.2%
Controllable Operating Income (Loss)	(\$151)	(\$150)	(\$230)			(\$46)	(\$647)	\$18		
PSRHBF Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$5,083	\$5,083	\$2,292	0.0%	121.8%
Workers Compensation (a)	(60)	14	406	NM	NM	472	47	(450)	NM	NM
Net Operating Income (Loss)	(\$1,108)	(\$1,181)	(\$1,095)			(\$5,601)	(\$5,778)	(\$1,824)		
Interest Income	\$2	\$2	\$2	5.3%	-5.5%	\$10	\$10	\$11	5.3%	-3.4%
Interest Expense	\$15	\$18	\$13	-20.4%	11.6%	\$78	\$88	\$73	-10.9%	7.2%
Net Income (Loss)	(\$1,120)	(\$1,197)	(\$1,106)			(\$5,669)	(\$5,857)	(\$1,887)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mailing Services Volume	12,304	12,346	12,642	-0.3%	-2.7%	68,703	66,594	72,345	3.2%	-5.0%
Total Shipping Services Volume	222	203	112	9.4%	98.3%	961	962	647	-0.1%	48.4%
Total Mail Volume	12,526	12,549	12,754	-0.2%	-1.8%	69,664	67,556	72,992	3.1%	-4.6%
Total Workhours (Millions)	89	88	88	1.5%	1.3%	470	465	480	1.1%	-2.0%
Total Career Employees						545,435				
Total Non-Career Employees						94,960				

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 February 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)

February 2012

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume*	5,586,500	5,768,822	-3.2%	30,901,828	32,380,848	-4.6%
Revenue	\$2,461,532	\$2,473,530	-0.5%	\$13,403,756	\$14,035,912	-4.5%
<i>Standard Mail:</i>						
Volume*	6,072,293	6,240,062	-2.7%	34,446,231	36,490,676	-5.6%
Revenue	\$1,266,995	\$1,316,796	-3.8%	\$7,275,117	\$7,643,680	-4.8%
<i>Periodicals:</i>						
Volume*	570,983	561,734	1.6%	2,839,106	2,954,742	-3.9%
Revenue	\$146,278	\$142,588	2.6%	\$724,965	\$759,225	-4.5%
<i>Package Services:</i>						
Volume*	43,805	44,107	-0.7%	278,000	291,943	-4.8%
Revenue	\$119,416	\$116,046	2.9%	\$719,159	\$704,960	2.0%
Total Mailing Services:						
Volume*	12,304,252	12,642,119	-2.7%	68,703,289	72,344,648	-5.0%
Revenue **	\$4,284,119	\$4,342,933	-1.4%	\$23,540,238	\$24,416,067	-3.6%
Total Shipping Services:						
Volume*	221,873	111,871	98.3%	961,021	647,377	48.4%
Revenue	\$913,467	\$707,128	29.2%	\$4,731,141	\$3,986,381	18.7%
Postal Service Totals						
Volume*	12,526,125	12,753,990	-1.8%	69,664,310	72,992,024	-4.6%
Revenue	\$5,197,586	\$5,050,061	2.9%	\$28,271,379	\$28,402,448	-0.5%

* 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.

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 February 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.

USPS Preliminary Expenses (Unaudited)

February 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	\$1,351	\$1,333	\$1,327	1.4%	1.8%	\$7,115	\$6,992	\$7,085	1.8%	0.4%
Mail Processing	700	691	696	1.3%	0.5%	3,806	3,780	3,874	0.7%	-1.7%
Customer Services and Retail	481	475	488	1.3%	-1.6%	2,543	2,521	2,655	0.9%	-4.2%
Rural Delivery	484	484	465	0.1%	4.3%	2,537	2,493	2,467	1.8%	2.8%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	733	741	739	-1.1%	-0.9%	4,070	4,225	4,223	-3.7%	-3.6%
Total Salaries & Benefits	\$3,749	\$3,723	\$3,715	0.7%	0.9%	\$20,071	\$20,012	\$20,304	0.3%	-1.1%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$221	\$214	\$208	3.2%	6.3%	\$1,067	\$1,071	\$990	-0.3%	7.8%
Worker's Compensation Caseload Expenses	92	100	90	-7.7%	2.7%	495	520	485	-4.8%	2.1%
All Other Personnel Related Expenses	12	13	15	-12.6%	-19.3%	65	68	83	-3.8%	-21.8%
Total Other Personnel Related Expenses	\$324	\$327	\$312	-0.8%	4.0%	\$1,627	\$1,658	\$1,558	-1.9%	4.5%
Controllable Personnel Compensation and Benefits	\$4,073	\$4,050	\$4,027	0.6%	1.2%	\$21,699	\$21,670	\$21,862	0.1%	-0.7%
PSRHBF Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$5,083	\$5,083	\$2,292	0.0%	121.8%
Workers' Compensation (a)	(60)	14	406	NM	NM	472	47	(450)	NM	NM
Total Personnel Compensation and Benefits	\$5,031	\$5,080	\$4,892	-1.0%	2.8%	\$27,254	\$26,801	\$23,704	1.7%	15.0%
Non-Personnel Expenses:										
Transportation	\$527	\$506	\$496	4.1%	6.2%	\$2,882	\$2,787	\$2,685	3.4%	7.3%
Supplies and Services	178	195	186	-9.0%	-4.6%	893	962	941	-7.1%	-5.0%
Depreciation and Amortization	172	186	193	-7.4%	-10.8%	898	957	957	-6.2%	-6.1%
Rent	93	91	85	1.9%	9.7%	438	464	443	-5.7%	-1.0%
Utilities and Heating Fuel	53	57	58	-6.5%	-8.0%	253	260	267	-2.9%	-5.3%
Vehicle Maintenance Service	83	80	79	3.8%	5.0%	408	391	374	4.4%	9.0%
Information Technology	37	29	30	27.3%	22.0%	168	151	164	11.5%	2.6%
Rural Carrier Equipment Maintenance Allowance	45	43	41	3.6%	9.7%	237	235	216	0.9%	9.7%
Other	86	75	84	14.4%	2.1%	431	432	467	-0.1%	-7.6%
Total Non-Personnel Expenses	\$1,273	\$1,262	\$1,251	0.8%	1.7%	\$6,609	\$6,639	\$6,513	-0.5%	1.5%
Total Operating Expenses	\$6,303	\$6,342	\$6,143	-0.6%	2.6%	\$33,863	\$33,440	\$30,216	1.3%	12.1%
Interest Expense	15	18	13	-20.4%	11.6%	78	88	73	-10.9%	7.2%
Total Expenses	\$6,318	\$6,360	\$6,156	-0.7%	2.6%	\$33,941	\$33,528	\$30,289	1.2%	12.1%

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 February 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.

USPS Preliminary Workhours (Unaudited)

February 2012

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	30,797	30,569	30,620	0.7%	0.6%	162,171	160,893	165,920	0.8%	-2.3%
Mail Processing	16,650	16,067	16,420	3.6%	1.4%	91,641	88,851	93,160	3.1%	-1.6%
Customer Services	11,637	11,205	11,619	3.9%	0.2%	61,138	59,733	63,685	2.4%	-4.0%
Rural Delivery	13,948	13,896	13,438	0.4%	3.8%	72,775	72,213	72,005	0.8%	1.1%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,219	16,204	16,024	0.1%	1.2%	82,473	83,346	85,099	-1.0%	-3.1%
Total Workhours	89,252	87,942	88,122	1.5%	1.3%	470,198	465,035	479,869	1.1%	-2.0%

(b) Retiree Health Benefit Expenses - The \$5,083 million Year-to-date Retirement Health Benefit expense represents 5/12 and 5/10 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

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 February 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.

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