

USPS Preliminary Financial Information (Unaudited)

March 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$5,632	\$5,444	\$5,707	3.5%	-1.3%	\$33,859	\$33,038	\$34,041	2.5%	-0.5%
Government Appropriations	11	14	12	-22.1%	-9.9%	45	82	70	-44.7%	-35.3%
Total Operating Revenue	\$5,643	\$5,458	\$5,719	3.4%	-1.3%	\$33,904	\$33,120	\$34,111	2.4%	-0.6%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,273	\$4,241	\$4,351	0.7%	-1.8%	\$25,476	\$25,391	\$25,728	0.3%	-1.0%
Workers Compensation Caseload Expense	103	107	52	-3.7%	99.0%	632	656	537	-3.7%	17.7%
Transportation	561	540	528	4.0%	6.4%	3,444	3,327	3,213	3.5%	7.2%
Supplies and Services	188	207	196	-9.1%	-4.1%	1,081	1,169	1,137	-7.5%	-4.9%
Other Expenses	584	635	680	-8.1%	-14.1%	3,417	3,525	3,567	-3.1%	-4.2%
Total Controllable Operating Expenses	\$5,709	\$5,730	\$5,807	-0.4%	-1.7%	\$34,050	\$34,068	\$34,181	-0.1%	-0.4%
Controllable Operating Income (Loss)	(\$66)	(\$272)	(\$88)			(\$146)	(\$949)	(\$70)		
PSRHBF Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$6,100	\$6,100	\$2,750	0.0%	121.8%
Workers Compensation (a)	(302)	7	111	NM	NM	137	25	(339)	NM	NM
Net Operating Income (Loss)	(\$781)	(\$1,295)	(\$657)			(\$6,382)	(\$7,073)	(\$2,482)		
Interest Income	\$2	\$2	\$2	10.5%	0.4%	\$12	\$11	\$13	6.1%	-2.8%
Interest Expense	\$16	\$19	\$15	-14.2%	10.7%	\$94	\$107	\$87	-12.2%	7.8%
Net Income (Loss)	(\$795)	(\$1,312)	(\$670)			(\$6,464)	(\$7,169)	(\$2,557)		
Other Operating Statistics:										
Mail Volume: (Millions)										
Total Mailing Services Volume	13,328	13,253	14,576	0.6%	-8.6%	82,031	79,847	86,920	2.7%	-5.6%
Total Shipping Services Volume	230	217	128	6.0%	79.2%	1,191	1,179	776	1.0%	53.5%
Total Mail Volume	13,558	13,470	14,704	0.7%	-7.8%	83,223	81,026	87,696	2.7%	-5.1%
Total Workhours (Millions)	98	97	102	1.3%	-4.1%	568	561	582	1.3%	-2.4%
Total Career Employees						543,780				
Total Non-Career Employees						95,867				

(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 March 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)

March 2012

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume*	5,884,120	6,283,543	-6.4%	36,785,948	38,664,391	-4.9%
Revenue	\$2,618,535	\$2,754,267	-4.9%	\$16,022,291	\$16,790,179	-4.6%
<i>Standard Mail:</i>						
Volume*	6,770,292	7,541,841	-10.2%	41,216,523	44,032,517	-6.4%
Revenue	\$1,429,176	\$1,586,855	-9.9%	\$8,704,293	\$9,228,535	-5.7%
<i>Periodicals:</i>						
Volume*	570,446	637,866	-10.6%	3,409,552	3,592,608	-5.1%
Revenue	\$155,333	\$163,621	-5.1%	\$880,299	\$922,846	-4.6%
<i>Package Services:</i>						
Volume*	65,509	64,530	1.5%	343,509	356,473	-3.6%
Revenue	\$139,567	\$145,456	-4.0%	\$858,726	\$850,417	1.0%
Total Mailing Services:(c)						
Volume*	13,328,044	14,575,759	-8.6%	82,031,333	86,920,407	-5.6%
Revenue **	\$4,577,690	\$4,926,589	-7.1%	\$28,117,928	\$29,342,656	-4.2%
Total Shipping Services: (c)						
Volume*	230,204	128,481	79.2%	1,191,225	775,858	53.5%
Revenue	\$1,067,440	\$794,481	34.4%	\$5,798,580	\$4,780,862	21.3%
Postal Service Totals						
Volume*	13,558,248	14,704,240	-7.8%	83,222,558	87,696,265	-5.1%
Revenue	\$5,645,130	\$5,721,070	-1.3%	\$33,916,508	\$34,123,518	-0.6%

* 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.

(c) See Reclassification footnote on page 4 of this report.

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USPS Preliminary Expenses (Unaudited)

March 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	\$1,494	\$1,458	\$1,498	2.5%	-0.2%	\$8,609	\$8,450	\$8,583	1.9%	0.3%
Mail Processing	756	745	778	1.4%	-2.8%	4,562	4,525	4,652	0.8%	-1.9%
Customer Services and Retail	522	520	556	0.4%	-6.2%	3,065	3,041	3,212	0.8%	-4.6%
Rural Delivery	544	540	541	0.8%	0.5%	3,082	3,033	3,009	1.6%	2.4%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	720	749	776	-4.0%	-7.3%	4,789	4,974	4,999	-3.7%	-4.2%
Total Salaries & Benefits	\$4,036	\$4,012	\$4,149	0.6%	-2.7%	\$24,107	\$24,024	\$24,453	0.3%	-1.4%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$225	\$215	\$208	4.6%	7.8%	\$1,292	\$1,285	\$1,198	0.5%	7.8%
Worker's Compensation Caseload Expenses	103	107	52	-3.7%	99.0%	632	656	537	-3.7%	17.7%
All Other Personnel Related Expenses	12	14	(6)	-14.5%	-295.2%	77	82	77	-5.5%	0.7%
Total Other Personnel Related Expenses	\$340	\$336	\$254	1.1%	33.9%	\$2,001	\$2,024	\$1,812	-1.1%	10.4%
Controllable Personnel Compensation and Benefits	\$4,376	\$4,348	\$4,403	0.6%	-0.6%	\$26,108	\$26,047	\$26,265	0.2%	-0.6%
PSRHBF Expenses (b)	\$1,017	\$1,017	\$458	0.0%	121.8%	\$6,100	\$6,100	\$2,750	0.0%	121.8%
Workers' Compensation (a)	(302)	7	111	NM	NM	137	25	(339)	NM	NM
Total Personnel Compensation and Benefits	\$5,091	\$5,371	\$4,972	-5.2%	2.4%	\$32,345	\$32,172	\$28,676	0.5%	12.8%
Non-Personnel Expenses:										
Transportation	\$561	\$540	\$528	4.0%	6.4%	\$3,444	\$3,327	\$3,213	3.5%	7.2%
Supplies and Services	188	207	196	-9.1%	-4.1%	1,081	1,169	1,137	-7.5%	-4.9%
Depreciation and Amortization	172	184	194	-6.9%	-11.5%	1,070	1,142	1,150	-6.3%	-7.0%
Rent	86	93	90	-7.9%	-4.0%	524	558	532	-6.0%	-1.5%
Utilities and Heating Fuel	55	64	67	-14.6%	-18.4%	307	324	334	-5.2%	-7.9%
Vehicle Maintenance Service	92	96	98	-4.7%	-6.2%	500	487	472	2.6%	5.8%
Information Technology	41	37	43	9.2%	-5.2%	209	188	207	11.0%	1.0%
Rural Carrier Equipment Maintenance Allowance	50	44	48	12.5%	4.7%	287	279	264	2.8%	8.8%
Other	89	116	141	-22.7%	-36.6%	520	547	608	-5.1%	-14.6%
Total Non-Personnel Expenses	\$1,334	\$1,382	\$1,404	-3.5%	-5.0%	\$7,942	\$8,021	\$7,917	-1.0%	0.3%
Total Operating Expenses	\$6,424	\$6,753	\$6,376	-4.9%	0.8%	\$40,287	\$40,193	\$36,593	0.2%	10.1%
Interest Expense	16	19	15	-14.2%	10.7%	94	107	87	-12.2%	7.8%
Total Expenses	\$6,440	\$6,772	\$6,391	-4.9%	0.8%	\$40,381	\$40,300	\$36,680	0.2%	10.1%

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USPS Preliminary Workhours (Unaudited)

March 2012

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	34,308	33,739	35,525	1.7%	-3.4%	196,526	194,468	201,487	1.1%	-2.5%
Mail Processing	17,902	17,320	18,686	3.4%	-4.2%	109,567	105,780	111,862	3.6%	-2.1%
Customer Services	12,681	12,354	13,527	2.6%	-6.3%	73,837	72,093	77,206	2.4%	-4.4%
Rural Delivery	15,729	15,637	15,776	0.6%	-0.3%	88,495	87,847	87,779	0.7%	0.8%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	17,586	17,928	18,910	-1.9%	-7.0%	100,059	101,111	104,014	-1.0%	-3.8%
Total Workhours	98,206	96,978	102,424	1.3%	-4.1%	568,484	561,299	582,348	1.3%	-2.4%

(b) Retiree Health Benefit Expenses - The \$6,100 million Year-to-date Retirement Health Benefit expense represents 6/12 and 6/10 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.

(c) These revenue and volume figures reflect reclassification changes that were not effective in the same period last year. Therefore, the percentage changes in the tables do not offer meaningful comparisons. The major change is in "Shipping Services" which acquired significant new volume via reclassification.

First-Class Mail Parcels, Standard Mail Parcels as well as Package Services currently categorized as Market Dominant products by the PRC for regulatory purposes are shown in the Postal Service report Form-10-Q in combination with Shipping Services. This total grouping is referred to as "Shipping Services plus Market Dominant packages". The remainder of the Market Dominant category will be referred to as "Mailing Services". This not only provides a better comparison, it is also more reflective of the way we manage our business. Reclassification data on a monthly basis is not available.

To get a better comparison of year over year mailing and shipping revenue and volume results, please refer to the charts shown in our 10-Q for the period ended March 31, 2012 which was released on May 10, 2012. The 10-Q is available by following this link, <http://about.usps.com/who-we-are/financials/financial-conditions-results-reports/fy2012-q2.pdf>.

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