

USPS Preliminary Financial Information (Unaudited)

November 2012

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
<b>Operating Revenue:</b>										
Mail and Services Revenue	\$5,505	\$5,535	\$5,572	-0.5%	-1.2%	\$11,537	\$11,579	\$11,284	-0.4%	2.2%
Government Appropriations	9	10	14	-12.4%	-32.3%	20	\$21	27	-5.7%	-27.6%
<b>Total Operating Revenue</b>	<b>\$5,514</b>	<b>\$5,545</b>	<b>\$5,586</b>	<b>-0.6%</b>	<b>-1.3%</b>	<b>\$11,557</b>	<b>\$11,600</b>	<b>\$11,311</b>	<b>-0.4%</b>	<b>2.2%</b>
<b>Operating Expenses:</b>										
Personnel Compensation and Benefits	\$4,228	\$4,148	\$4,176	1.9%	1.2%	\$8,603	\$8,561	\$8,429	0.5%	2.1%
Workers Compensation Caseload Expense	105	108	101	-2.5%	4.0%	210	220	216	-4.4%	-2.8%
Transportation	546	576	549	-5.3%	-0.5%	1,130	1,156	1,087	-2.3%	3.9%
Supplies and Services	184	198	171	-7.5%	7.5%	337	363	334	-7.0%	1.1%
Other Expenses	500	570	555	-12.3%	-9.9%	1,040	1,118	1,106	-7.0%	-5.9%
<b>Total Controllable Operating Expenses</b>	<b>\$5,563</b>	<b>\$5,600</b>	<b>\$5,552</b>	<b>-0.7%</b>	<b>0.2%</b>	<b>\$11,320</b>	<b>\$11,418</b>	<b>\$11,171</b>	<b>-0.9%</b>	<b>1.3%</b>
<b>Controllable Operating Income (Loss)</b>	<b>(\$49)</b>	<b>(\$55)</b>	<b>\$34</b>			<b>\$237</b>	<b>\$182</b>	<b>\$140</b>		
PSRHBF Expenses (b)	\$467	\$467	\$925	0.0%	-49.5%	\$933	\$933	\$1,850	0.0%	-49.6%
Workers Compensation (a)	286	-	363	NM	NM	29	-	127	NM	NM
<b>Net Operating Income (Loss)</b>	<b>(\$802)</b>	<b>(\$522)</b>	<b>(\$1,254)</b>			<b>(\$725)</b>	<b>(\$751)</b>	<b>(\$1,837)</b>		
Interest Income	\$2	\$2	\$2	-0.4%	-2.6%	\$4	\$4	\$4	4.9%	-2.8%
Interest Expense	\$16	\$16	\$15	-2.2%	4.4%	\$33	\$32	\$32	2.9%	4.0%
<b>Net Income (Loss)</b>	<b>(\$816)</b>	<b>(\$535)</b>	<b>(\$1,267)</b>			<b>(\$755)</b>	<b>(\$779)</b>	<b>(\$1,865)</b>		
<b>Other Operating Statistics:</b>										
Mail Volume: (Millions)										
Total Market Dominant Volume	13,908	13,891	14,508	0.1%	-4.1%	29,733	29,266	29,088	1.6%	2.2%
Total Competitive Volume	267	258	172	3.5%	55.2%	509	510	338	-0.3%	50.4%
Total Mail Volume	14,175	14,149	14,680	0.2%	-3.4%	30,242	29,776	29,426	1.6%	2.8%
Total Workhours (Millions)	92	90	92	1.4%	-0.2%	189	187	186	1.2%	1.4%
Total Career Employees						524,131				
Total Non-Career Employees						108,828				

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 November 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)

November 2012

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
<b>Mailing Services:</b>						
<i>First Class:</i>						
Volume*	5,318,273	5,701,556	-6.7%	11,183,933	11,602,412	-3.6%
Revenue	\$2,334,944	\$2,457,186	-5.0%	\$4,907,494	\$5,007,293	-2.0%
<i>Standard Mail:</i>						
Volume*	7,803,930	8,068,233	-3.3%	17,078,259	16,055,941	6.4%
Revenue	\$1,627,773	\$1,701,180	-4.3%	\$3,497,407	\$3,397,030	3.0%
<i>Periodicals:</i>						
Volume*	539,412	585,141	-7.8%	1,132,711	1,177,929	-3.8%
Revenue	\$141,961	\$151,929	-6.6%	\$298,947	\$306,169	-2.4%
<i>Package Services:</i>						
Volume*	54,972	53,833	2.1%	109,287	111,239	-1.8%
Revenue	\$136,428	\$131,162	4.0%	\$269,555	\$260,146	3.6%
<b>Total Market Dominant: (b)</b>						
Volume*	13,907,827	14,508,206	-4.1%	29,733,121	29,087,762	2.2%
Revenue **	\$4,449,630	\$4,716,733	-5.7%	\$9,462,546	\$9,566,575	-1.1%
<b>Total Competitive: (b)</b>						
Volume*	266,883	171,996	55.2%	509,260	338,537	50.4%
Revenue	\$1,065,876	\$871,348	22.3%	\$2,098,047	\$1,748,657	20.0%
<b>Postal Service Totals</b>						
Volume*	14,174,710	14,680,202	-3.4%	30,242,381	29,426,299	2.8%
Revenue	\$5,515,506	\$5,588,081	-1.3%	\$11,560,593	\$11,315,232	2.2%

\* 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.

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

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USPS Preliminary Expenses (Unaudited)  
November 2012  
(\$ 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	\$1,439	\$1,391	\$1,418	3.5%	1.5%	\$2,948	\$2,869	\$2,843	2.7%	3.7%
Mail Processing	723	718	747	0.8%	-3.2%	1,470	1,472	1,510	-0.2%	-2.6%
Customer Services and Retail	471	472	497	-0.1%	-5.3%	968	987	1,003	-1.9%	-3.5%
Rural Delivery	512	497	503	3.0%	1.7%	1,034	1,037	1,023	-0.3%	1.0%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	843	829	788	1.7%	7.0%	1,706	1,706	1,605	0.0%	6.3%
<b>Total Salaries &amp; Benefits</b>	<b>\$3,988</b>	<b>\$3,907</b>	<b>\$3,953</b>	<b>2.1%</b>	<b>0.9%</b>	<b>\$8,126</b>	<b>\$8,071</b>	<b>\$7,984</b>	<b>0.7%</b>	<b>1.8%</b>
<b>Other Personnel Related Expenses</b>										
Retiree Health Benefits Current Premiums	\$225	\$233	\$211	-3.5%	6.6%	\$450	\$466	\$420	-3.4%	7.3%
Worker's Compensation Caseload Expenses	105	108	101	-2.5%	4.0%	210	220	216	-4.4%	-2.8%
All Other Personnel Related Expenses	16	7	13	114.5%	25.4%	27	24	25	12.8%	6.0%
<b>Total Other Personnel Related Expenses</b>	<b>\$346</b>	<b>\$348</b>	<b>\$325</b>	<b>-0.7%</b>	<b>6.5%</b>	<b>\$687</b>	<b>\$710</b>	<b>\$661</b>	<b>-3.2%</b>	<b>4.0%</b>
<b>Controllable Personnel Compensation and Benefits</b>	<b>\$4,334</b>	<b>\$4,255</b>	<b>\$4,278</b>	<b>1.8%</b>	<b>1.3%</b>	<b>\$8,813</b>	<b>\$8,781</b>	<b>\$8,645</b>	<b>0.4%</b>	<b>1.9%</b>
PSRHBFB Expenses (b)	\$467	\$467	\$925	0.0%	-49.5%	\$933	\$933	\$1,850	0.0%	-49.6%
Workers' Compensation (a)	286	-	363	NM	NM	29	-	127	NM	NM
<b>Total Personnel Compensation and Benefits</b>	<b>\$5,086</b>	<b>\$4,722</b>	<b>\$5,566</b>	<b>7.7%</b>	<b>-8.6%</b>	<b>\$9,775</b>	<b>\$9,714</b>	<b>\$10,623</b>	<b>0.6%</b>	<b>-8.0%</b>
<b>Non-Personnel Expenses:</b>										
Transportation	\$546	\$576	\$549	-5.3%	-0.5%	\$1,130	\$1,156	\$1,087	-2.3%	3.9%
Supplies and Services	184	197	171	-7.0%	7.5%	337	363	334	-7.0%	1.1%
Depreciation and Amortization	162	172	186	-5.7%	-12.8%	323	345	368	-6.4%	-12.3%
Rent	80	89	88	-9.6%	-8.6%	166	172	169	-3.5%	-1.6%
Utilities and Heating Fuel	40	47	46	-14.5%	-12.1%	93	97	97	-4.6%	-3.9%
Vehicle Maintenance Service	79	73	79	8.3%	-0.3%	167	149	157	12.5%	6.7%
Information Technology	16	33	30	-50.5%	-46.3%	54	76	54	-29.0%	-1.3%
Rural Carrier Equipment Maintenance Allowance	45	80	46	-43.3%	-2.1%	92	123	97	-25.2%	-4.5%
Other	77	77	79	-0.1%	-1.9%	145	155	162	-6.8%	-10.7%
<b>Total Non-Personnel Expenses</b>	<b>\$1,229</b>	<b>\$1,344</b>	<b>\$1,274</b>	<b>-8.5%</b>	<b>-3.5%</b>	<b>\$2,507</b>	<b>\$2,636</b>	<b>\$2,525</b>	<b>-4.9%</b>	<b>-0.7%</b>
<b>Total Operating Expenses</b>	<b>\$6,315</b>	<b>\$6,066</b>	<b>\$6,840</b>	<b>4.1%</b>	<b>-7.7%</b>	<b>\$12,282</b>	<b>\$12,350</b>	<b>\$13,148</b>	<b>-0.6%</b>	<b>-6.6%</b>
Interest Expense	16	16	15	-2.2%	4.4%	33	32	32	2.9%	4.0%
<b>Total Expenses</b>	<b>\$6,331</b>	<b>\$6,082</b>	<b>\$6,855</b>	<b>4.1%</b>	<b>-7.6%</b>	<b>\$12,315</b>	<b>\$12,382</b>	<b>\$13,180</b>	<b>-0.5%</b>	<b>-6.6%</b>

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USPS Preliminary Workhours (Unaudited)

November 2012

(Thousands)

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	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	32,321	31,571	32,115	2.4%	0.6%	66,603	65,095	64,759	2.3%	2.8%
Mail Processing	17,634	17,186	17,772	2.6%	-0.8%	35,609	35,097	35,905	1.5%	-0.8%
Customer Services	11,395	11,331	11,808	0.6%	-3.5%	23,585	23,619	23,975	-0.1%	-1.6%
Rural Delivery	14,153	14,100	14,046	0.4%	0.8%	29,450	29,422	29,280	0.1%	0.6%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration	16,088	16,159	16,049	-0.4%	0.2%	33,799	33,653	32,473	0.4%	4.1%
Total Workhours	91,591	90,347	91,791	1.4%	-0.2%	189,046	186,886	186,391	1.2%	1.4%

(b) 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.

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-K 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-K for the period ended September 30, 2012 which was released on November 15, 2012. The 10-K is available by following this link, <http://about.usps.com/who-we-are/financials/10k-reports/fy2012.pdf>.

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