

USPS Preliminary Financial Information (Unaudited)

January 2013

(\$ Millions)

						Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Operating Revenue:										
Mail and Services Revenue	\$5,618	\$5,576	\$5,387	0.8%	4.3%	\$23,260	\$23,108	\$23,042	0.7%	0.9%
Government Appropriations	7	11	2	-32.7%	400.5%	24	\$42	24	-42.8%	0.2%
Total Operating Revenue	\$5,625	\$5,587	\$5,389	0.7%	4.4%	\$23,284	\$23,150	\$23,066	0.6%	0.9%
Operating Expenses:										
Personnel Compensation and Benefits	\$4,464	\$4,359	\$4,107	2.4%	8.7%	\$17,609	\$17,442	\$17,222	1.0%	2.2%
Workers Compensation Caseload Expense	104	111	112	-5.7%	-6.4%	430	444	431	-3.2%	-0.3%
Transportation	580	611	589	-5.2%	-1.6%	2,418	2,466	2,356	-1.9%	2.7%
Supplies and Services	182	251	180	-27.5%	1.4%	729	845	716	-13.8%	1.8%
Other Expenses*	561	582	553	-3.7%	1.5%	2,186	2,258	2,264	-3.2%	-3.4%
Total Controllable Operating Expenses	\$5,891	\$5,914	\$5,541	-0.4%	6.3%	\$23,372	\$23,455	\$22,989	-0.4%	1.7%
Controllable Operating Income (Loss)	(\$266)	(\$327)	(\$152)			(\$88)	(\$305)	\$77		
PSRHB Expenses	\$467	\$467	\$1,017	0.0%	-54.1%	\$1,867	\$1,867	\$4,067	0.0%	-54.1%
Workers Compensation (a)	(310)	-	79	NM	-493.4%	(312)	-	504	NM	-162.0%
Net Operating Income (Loss)	(\$423)	(\$794)	(\$1,248)			(\$1,643)	(\$2,172)	(\$4,494)		
Interest Income	\$2	\$2	\$2	4.9%	-0.3%	\$8	\$8	\$8	3.6%	-2.1%
Interest Expense	\$16	\$17	\$16	-3.4%	2.7%	\$66	\$65	\$63	0.4%	3.7%
Net Income (Loss)	(\$437)	(\$809)	(\$1,262)			(\$1,701)	(\$2,229)	(\$4,549)		

Other Operating Statistics:										
Mail Volume: (Millions)										
Total Market Dominant Volume	13,335	13,144	13,196	1.5%	1.1%	56,005	54,757	56,189	2.3%	-0.3%
Total Competitive Volume	262	210	175	24.7%	49.6%	1,085	1,036	743	4.7%	46.0%
Total Mail Volume	13,597	13,354	13,371	1.8%	1.7%	57,090	55,793	56,932	2.3%	0.3%
Total Workhours (Millions)	94	92	92	2.2%	2.3%	382	376	381	1.5%	0.3%
Total Career Employees						520,438				
Total Non-Career Employees						110,662				

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 January 2013 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)

January 2013

(Thousands)

	Current Period			Year-to-Date		
	Actual	SPLY	% SPLY	Actual	SPLY	% SPLY
Mailing Services:						
<i>First Class:</i>						
Volume**	6,136,890	6,263,707	-2.0%	24,123,016	25,124,383	-4.0%
Revenue	\$2,664,395	\$2,688,154	-0.9%	\$10,620,475	\$10,894,870	-2.5%
<i>Standard Mail:</i>						
Volume**	6,549,312	6,298,177	4.0%	29,191,821	28,351,011	3.0%
Revenue	\$1,353,375	\$1,319,333	2.6%	\$6,007,449	\$6,008,583	0.0%
<i>Periodicals:</i>						
Volume**	555,843	541,999	2.6%	2,196,391	2,269,635	-3.2%
Revenue	\$138,721	\$134,843	2.9%	\$565,109	\$578,793	-2.4%
<i>Package Services:</i>						
Volume**	55,642	56,000	-0.6%	225,523	234,282	-3.7%
Revenue	\$150,498	\$144,603	4.1%	\$605,000	\$599,454	0.9%
Total Market Dominant: (b)						
Volume**	13,334,657	13,195,737	1.1%	56,005,420	56,189,417	-0.3%
Revenue ***	\$4,545,525	\$4,505,608	0.9%	\$18,732,675	\$19,178,922	-2.3%
Total Competitive: (b)						
Volume**	262,127	175,169	49.6%	1,084,547	742,891	46.0%
Revenue	\$1,081,356	\$885,357	22.1%	\$4,559,671	\$3,894,870	17.1%
Postal Service Totals						
Volume**	13,596,784	13,370,906	1.7%	57,089,967	56,932,309	0.3%
Revenue	\$5,626,881	\$5,390,965	4.4%	\$23,292,346	\$23,073,792	0.9%

** Note: The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis.

*** Total Market Dominant 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)

January 2013

(\$ Millions)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Personnel Compensation and Benefits:										
Salaries & Benefits										
City Delivery	\$1,454	\$1,423	\$1,387	2.2%	4.8%	\$5,892	\$5,760	\$5,763	2.3%	2.2%
Mail Processing	740	737	749	0.4%	-1.2%	3,025	3,030	3,107	-0.2%	-2.6%
Customer Services and Retail	500	494	499	1.1%	0.2%	1,996	2,011	2,063	-0.8%	-3.2%
Rural Delivery	514	519	492	-1.0%	4.5%	2,077	2,084	2,053	-0.3%	1.2%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration*	778	820	752	-5.2%	3.4%	3,335	3,333	3,336	0.0%	0.0%
Total Salaries & Benefits	\$3,986	\$3,993	\$3,879	-0.2%	2.7%	\$16,325	\$16,218	\$16,322	0.7%	0.0%
Other Personnel Related Expenses										
Retiree Health Benefits Current Premiums	\$236	\$233	\$216	1.3%	9.2%	\$914	\$933	\$846	-2.1%	8.0%
Worker's Compensation Caseload Expenses	104	111	112	-5.7%	-6.4%	430	444	431	-3.2%	-0.3%
All Other Personnel Related Expenses (includes Retirement Incentive)*	242	133	11	81.7%	2059.8%	370	291	54	27.2%	580.7%
Total Other Personnel Related Expenses	\$582	\$477	\$339	22.1%	71.9%	\$1,714	\$1,668	\$1,331	2.7%	28.7%
Controllable Personnel Compensation and Benefits	\$4,568	\$4,470	\$4,218	2.2%	8.3%	\$18,039	\$17,886	\$17,653	0.9%	2.2%
PSRHBF Expenses										
Workers' Compensation (a)	(310)	-	79	NM	-493.4%	(312)	-	504	NM	-162.0%
Total Personnel Compensation and Benefits	\$4,725	\$4,937	\$5,314	-4.3%	-11.1%	\$19,594	\$19,753	\$22,224	-0.8%	-11.8%
Non-Personnel Expenses:										
Transportation	\$580	\$611	\$589	-5.2%	-1.6%	\$2,418	\$2,466	\$2,356	-1.9%	2.7%
Supplies and Services	182	251	180	-27.5%	1.4%	729	845	716	-13.8%	1.8%
Depreciation and Amortization	162	169	181	-4.7%	-10.7%	645	680	726	-5.2%	-11.2%
Rent	89	91	88	-2.6%	1.2%	340	353	345	-3.8%	-1.4%
Utilities and Heating Fuel	51	48	51	5.5%	-1.1%	188	194	199	-2.8%	-5.5%
Vehicle Maintenance Service	90	78	81	15.4%	11.1%	343	318	325	7.9%	5.4%
Information Technology	64	67	44	-4.1%	46.9%	148	176	131	-15.7%	12.9%
Rural Carrier Equipment Maintenance Allowance	45	41	45	10.0%	1.7%	186	207	192	-10.1%	-3.3%
Other*	60	88	64	-31.9%	-6.6%	336	329	346	2.1%	-2.7%
Total Non-Personnel Expenses	\$1,323	\$1,444	\$1,323	-8.4%	0.0%	\$5,333	\$5,568	\$5,336	-4.2%	0.0%
Total Operating Expenses	\$6,048	\$6,381	\$6,637	-5.2%	-8.9%	\$24,927	\$25,321	\$27,560	-1.6%	-9.5%
Interest Expense	16	17	16	-3.4%	2.7%	66	65	63	0.4%	3.7%
Total Expenses	\$6,064	\$6,398	\$6,653	-5.2%	-8.8%	\$24,993	\$25,386	\$27,623	-1.5%	-9.5%

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*Numbers may not add due to rounding and/or adjustments. Percentages calculated using unrounded numbers.

USPS Preliminary Workhours (Unaudited)

January 2013

(Thousands)

	Current Period					Year-to-Date				
	Actual	Plan	SPLY	% Plan	% SPLY	Actual	Plan	SPLY	% Plan	% SPLY
Workhours										
City Delivery	32,702	31,858	31,482	2.6%	3.9%	133,378	129,932	131,327	2.7%	1.6%
Mail Processing	17,707	17,098	17,885	3.6%	-1.0%	73,652	71,944	74,943	2.4%	-1.7%
Customer Services	12,038	11,663	11,965	3.2%	0.6%	48,577	47,861	49,490	1.5%	-1.8%
Rural Delivery	14,646	14,514	14,068	0.9%	4.1%	59,033	58,916	58,828	0.2%	0.3%
Other, including Plant and Vehicle Maintenance, Operational Support, Postmasters, and Administration*	16,975	16,902	16,553	0.4%	2.5%	67,279	67,504	66,239	-0.3%	1.6%
Total Workhours	94,068	92,035	91,953	2.2%	2.3%	381,919	376,157	380,827	1.5%	0.3%

(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-Q for the period ended December 31, 2012 which was released on February 8, 2013. The 10-Q is available by following this link, <http://about.usps.com/who-we-are/financials/financial-conditions-results-reports/fy2013-q1.pdf>.

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