

Financial Results

Quarter 1 of Fiscal Year 2012

February 9, 2012

Joe Corbett
Chief Financial Officer & Executive Vice President



Financial Results: Quarter

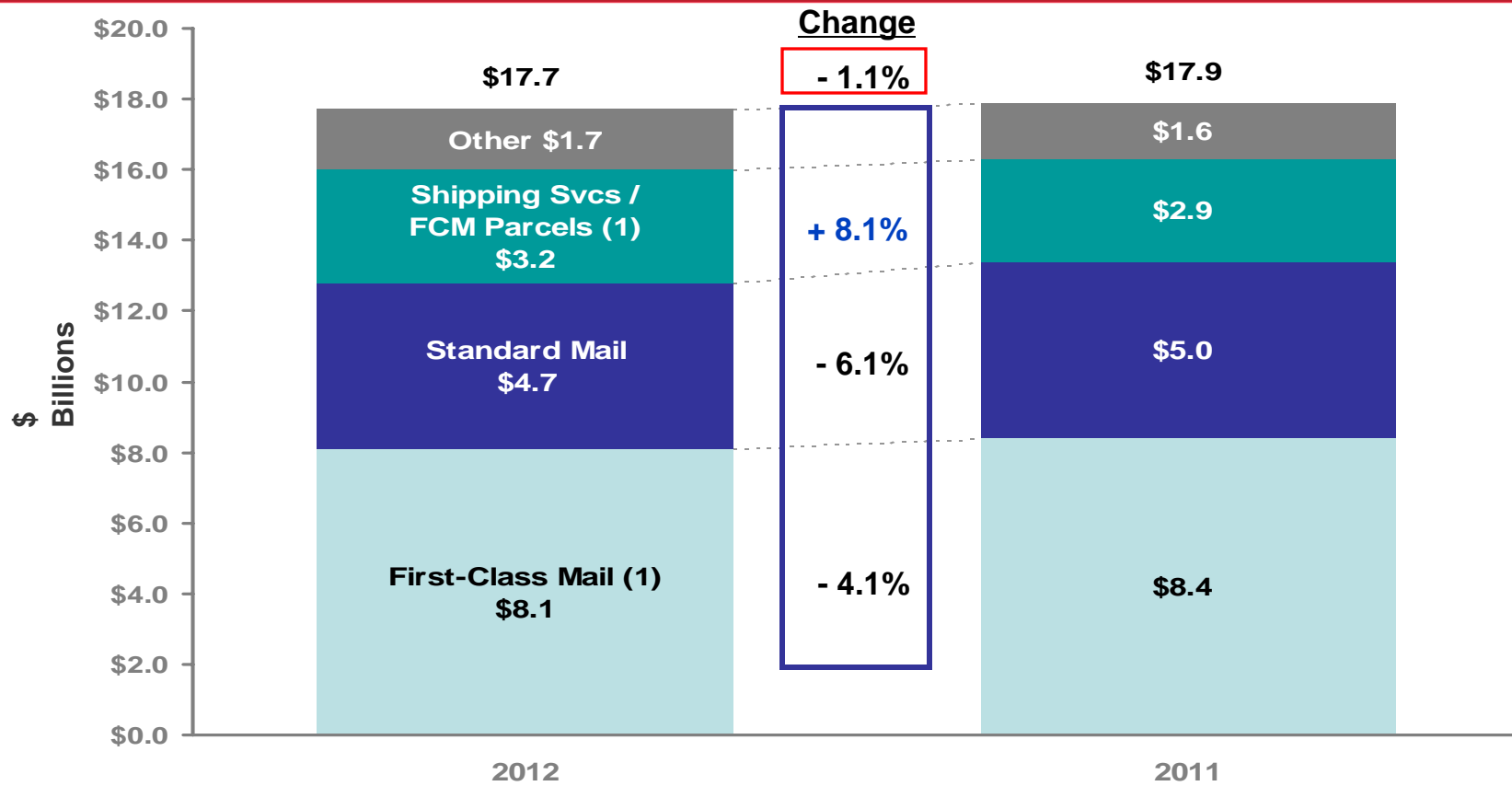
Quarter 1 (Billions)	FY 2012	FY 2011
Revenue	\$17.7	\$17.9
Expenses	<u>17.5</u>	<u>17.6</u>
Operating Income (Loss)*	0.2	0.3
Retiree Hlth. Bfts. Pre-Funding**	(3.1)	(1.4)
Workers' Comp. Fair Value Adj.	(0.1)	0.9
Workers' Comp. Claims & Adj.	<u>(0.3)</u>	<u>(0.1)</u>
Net Income (Loss)	<u>(\$3.3)</u>	<u>(\$0.3)</u>
Volume (pieces)	43.7	46.5

* Before RHB Pre-Funding & Non-Cash Adjustments to Workers' Compensation Liabilities.

** RHB Pre-Funding: IFP expensing \$11.1B in 2012 evenly over 12 mos (\$925M / month). Actual results based on \$5.5B (old 2011 payment) being expensed over 10 mos to revised due date of Aug 1 and \$5.6B (2012 payment) being expensed over 12 mos to due date of Sep 30.



Total Revenue: Q1 2012 and 2011

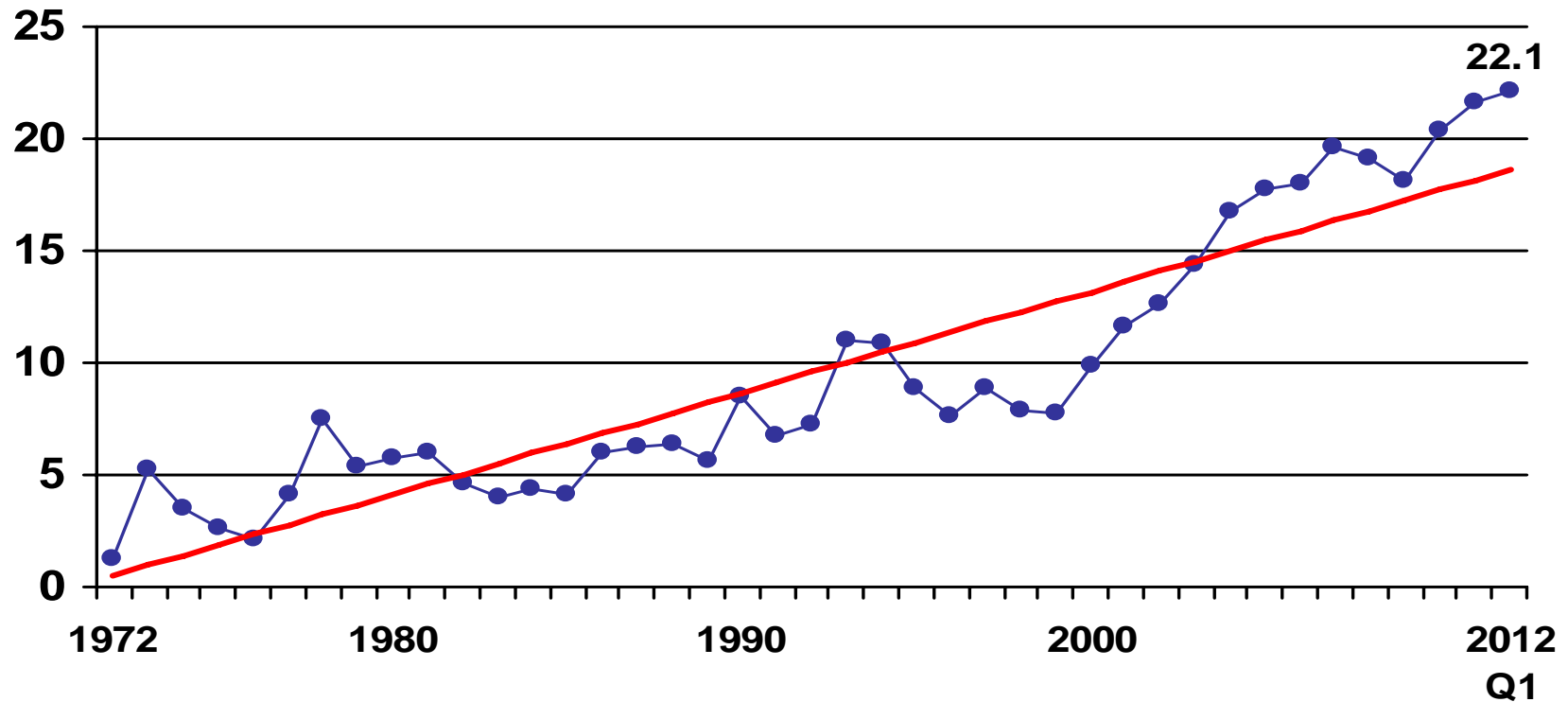


(1) First-Class Mail Parcels included with Shipping Services



Postal Service is More Efficient Than Ever

Total Factor Productivity



Financial Results: Quarter

Quarter 1 (Billions)	FY 2012	FY 2011
Revenue	\$17.7	\$17.9
Expenses	<u>17.5</u>	<u>17.6</u>
Operating Income (Loss)*	0.2	0.3
Retiree Hlth. Bfts. Pre-Funding**	(3.1)	(1.4)
Workers' Comp. Fair Value Adj.	(0.1)	0.9
Workers' Comp. Claims & Adj.	<u>(0.3)</u>	<u>(0.1)</u>
Net Income (Loss)	<u>(\$3.3)</u>	<u>(\$0.3)</u>
Volume (pieces)	43.7	46.5

* Before RHB Pre-Funding & Non-Cash Adjustments to Workers' Compensation Liabilities.

** RHB Pre-Funding: IFP expensing \$11.1B in 2012 evenly over 12 mos (\$925M / month). Actual results based on \$5.5B (old 2011 payment) being expensed over 10 mos to revised due date of Aug 1 and \$5.6B (2012 payment) being expensed over 12 mos to due date of Sep 30.



Operating Expenses

Quarter 1	FY	FY
(Billions)	2012	2011
Compensation	\$ 9.6	\$ 9.7
Benefits	3.8	3.8
Transportation	1.8	1.7
Depreciation	0.6	0.6
Supplies & Services	0.5	0.6
Rent, Utilities & Other	1.2	1.2
Operating Expenses *	\$17.5	\$ 17.6

* Before RHB Pre-Funding, Non-Cash Adjustments to Workers' Compensation Liabilities.



Financial Results: Quarter

Quarter 1 (Billions)	FY 2012	FY 2011
Revenue	\$17.7	\$17.9
Expenses	<u>17.5</u>	<u>17.6</u>
Operating Income (Loss)*	0.2	0.3
Retiree Hlth. Bfts. Pre-Funding**	(3.1)	(1.4)
Workers' Comp. Fair Value Adj.	(0.1)	0.9
Workers' Comp. Claims & Adj.	<u>(0.3)</u>	<u>(0.1)</u>
Net Income (Loss)	<u>(\$3.3)</u>	<u>(\$0.3)</u>
Volume (pieces)	43.7	46.5

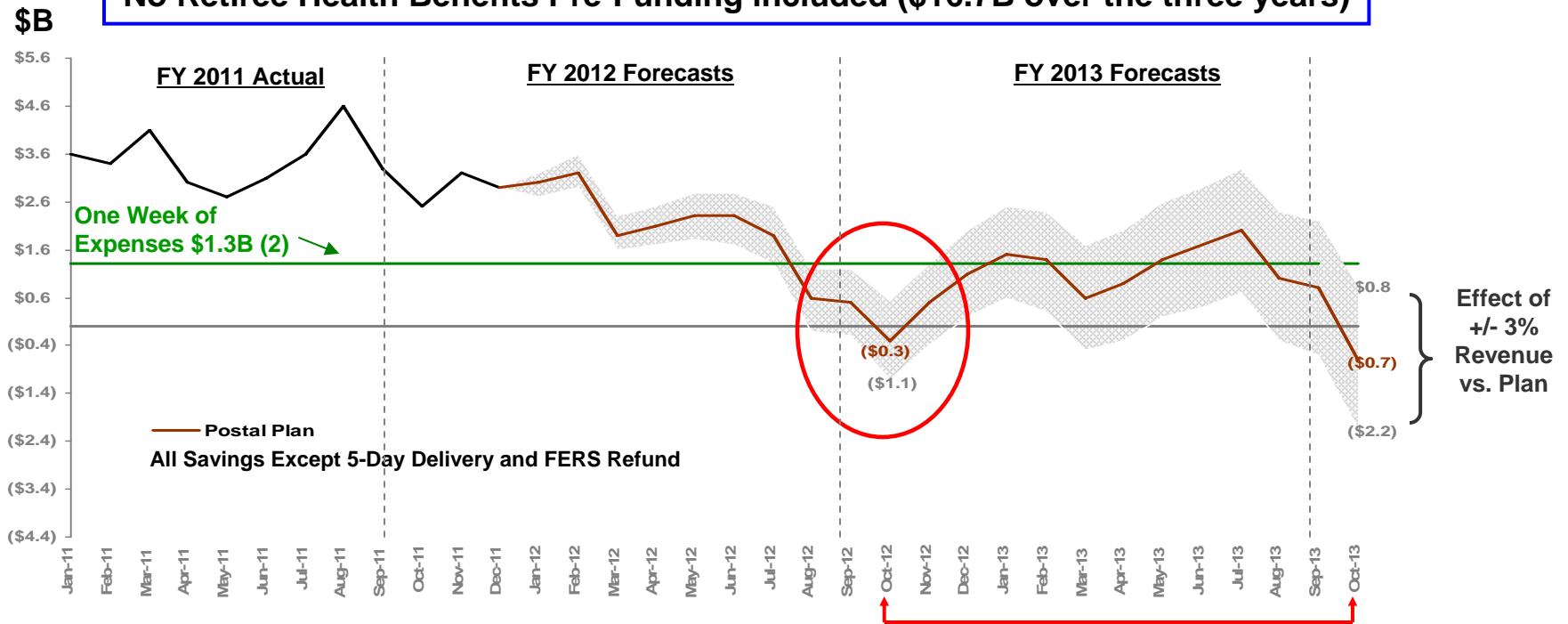
* Before RHB Pre-Funding & Non-Cash Adjustments to Workers' Compensation Liabilities.

** RHB Pre-Funding: IFP expensing \$11.1B in 2012 evenly over 12 mos (\$925M / month). Actual results based on \$5.5B (old 2011 payment) being expensed over 10 mos to revised due date of Aug 1 and \$5.6B (2012 payment) being expensed over 12 mos to due date of Sep 30.



2012 and 2013 Liquidity Forecasts

No Retiree Health Benefits Pre-Funding included (\$16.7B over the three years)



Notes: Liquidity includes unrestricted cash plus available borrowing, up to \$15B limit
 (1) Liquidity at December 31, 2011: \$2.9B
 (2) Represents \$220M of daily operating costs, times six day work week

Mid-October Balances shown - Low points after annual Workers' Compensation payments to DOL



Complete Financial results are in the Form 10-Q:

<http://about.usps.com/who-we-are/financials/welcome.htm>.

Q & A

Additional questions can be emailed to:

Susan.Mcgowan@usps.gov

David.A.Partenheimer@usps.gov

