

Financial Results

Quarter I of Fiscal Year 2013

February 8, 2013



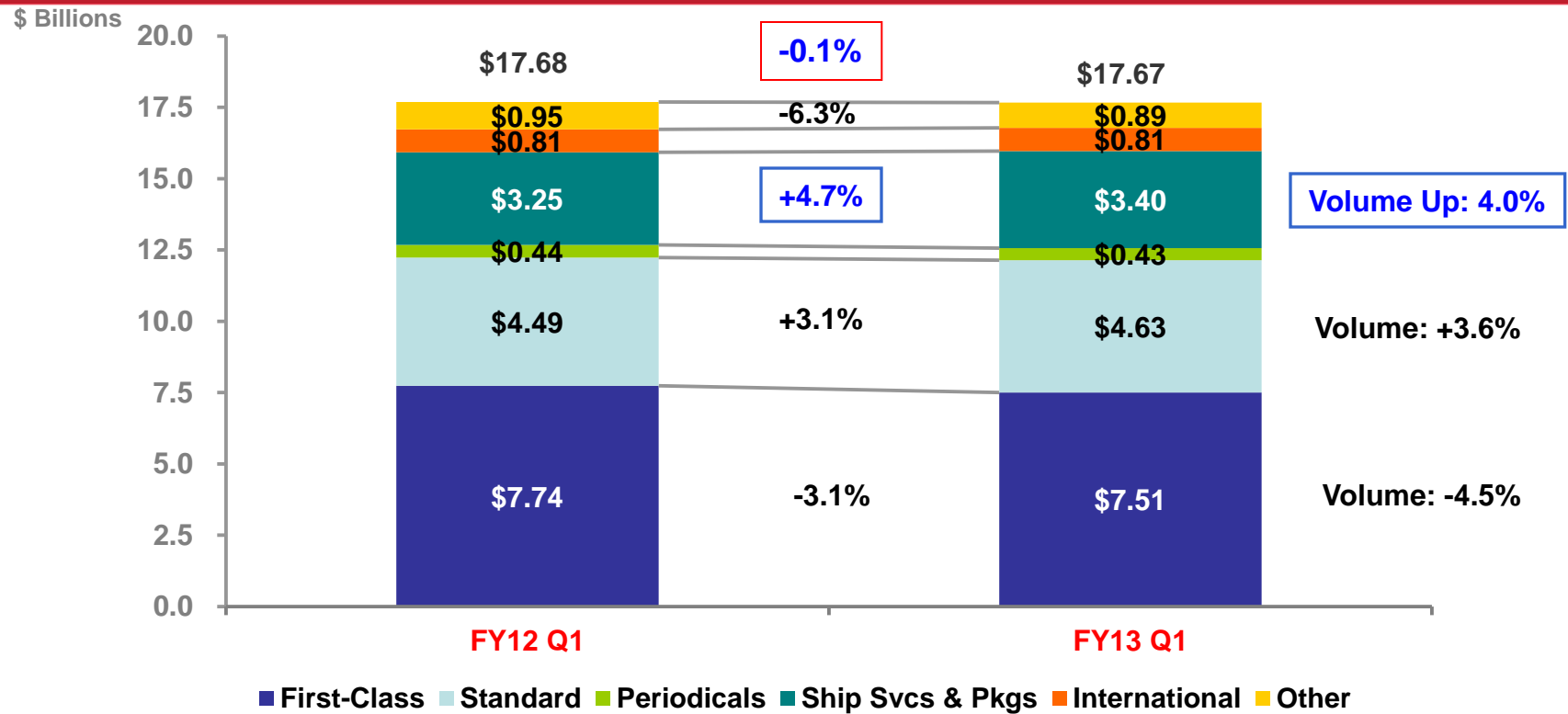
Financial Results

Quarter 1 YTD - 3 Months	FY	FY
(Billions)	2013	2012
Revenue	\$17.7	\$17.7
Expenses *	17.5	17.5
Separation Incentive Costs	<u>0.1</u>	<u>-</u>
Operating Income (Loss)*	0.1	0.2
Retiree Health Benefits Pre-Funding	(1.4)	(3.1)
Workers' Comp. Fair Value Adj.	0.2	(0.1)
Workers' Comp. Other Non-Cash Adj.	<u>(0.2)</u>	<u>(0.3)</u>
Net Income (Loss)	<u>(\$1.3)</u>	<u>(\$3.3)</u>
Liquidity (Days Cash)	10	11
Volume (pieces)	43.5	43.6

* Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.



Revenue FY12 Q1 vs. FY13 Q1



Financial Results

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Operating Expenses

Quarter I YTD - 3 months (Billions)	FY 2013	FY 2012
Compensation	\$9.6	9.6
Benefits	3.8	3.8
Transportation	1.8	1.8
Depreciation	0.5	0.6
Supplies & Services	0.6	0.5
Rent, Utilities & Other	<u>1.2</u>	<u>1.2</u>
Operating Expenses *	<u>\$17.5</u>	<u>17.5</u>
Workhour Reductions (Millions)	(1)	(3)

* Before RHB pre-funding, non-cash adjustments to workers' compensation liabilities.



Financial Results

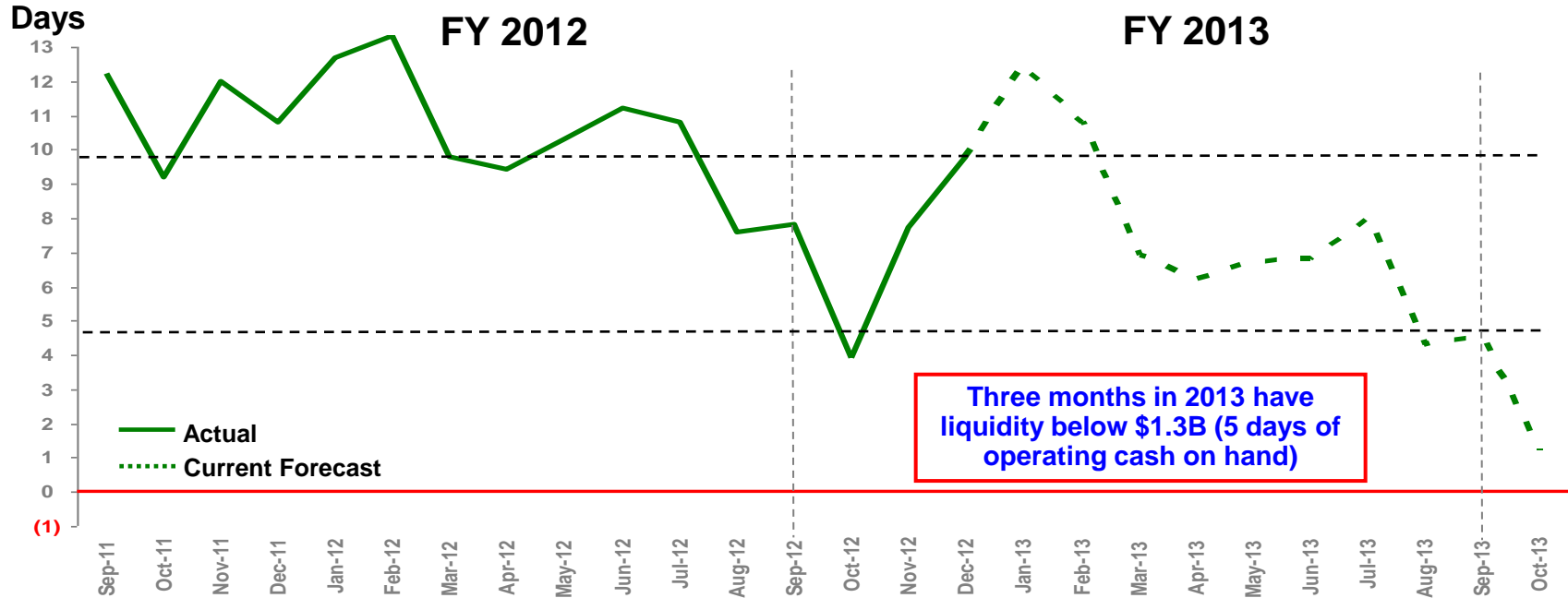
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2012 & 2013 Liquidity Days of Operating Cash on Hand

No Retiree Health Benefits Pre-Funding included (\$11.1B in 2012 and \$5.6 B in 2013)



Three months in 2013 have liquidity below \$1.3B (5 days of operating cash on hand)

- Liquidity includes unrestricted cash plus available borrowing, up to \$15B limit
- Days of Operating Cash – based on average operating costs disbursed per day ~\$265M

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



Complete Financial results are in the Form 10-K:

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

Q & A

Additional questions can be emailed to:

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