

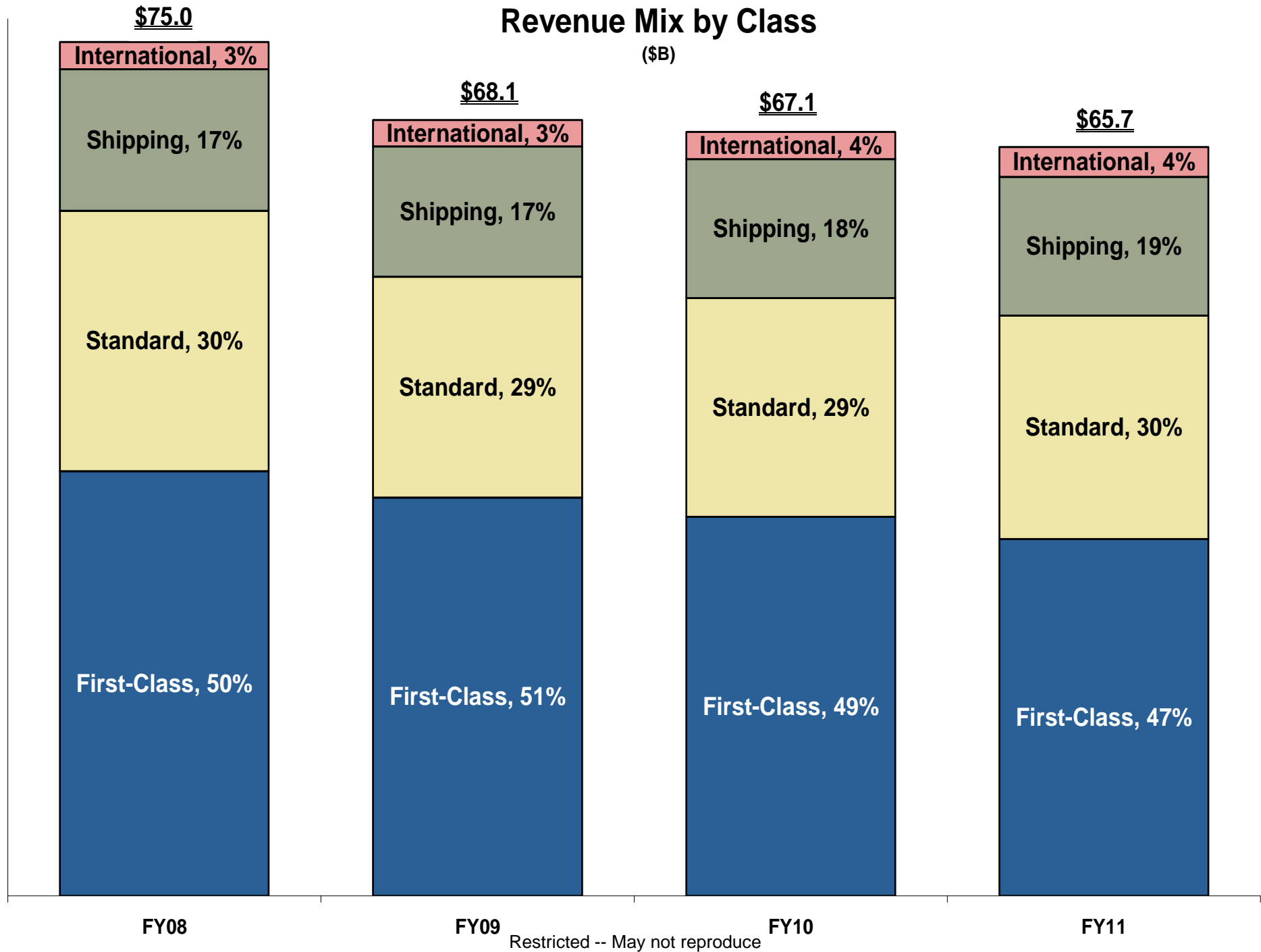


Fighting for the Future

Paul Vogel
President & CMSO
February 6, 2012

Revenue Mix by Class

(\$B)





Short Term Focus

- Legislative Flexibility
- Optimization (Network & Access)
- Customers



Value of Mail

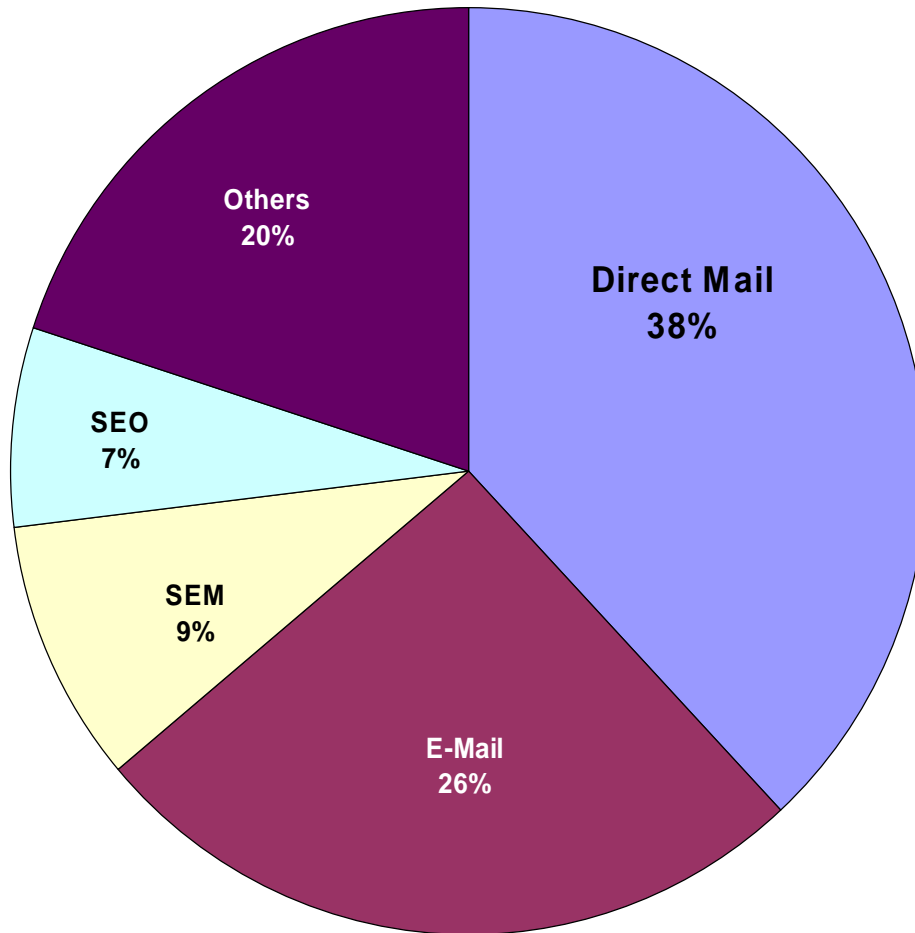
- Acquisition / Retention
 - Drives Results

Alternative to Mail

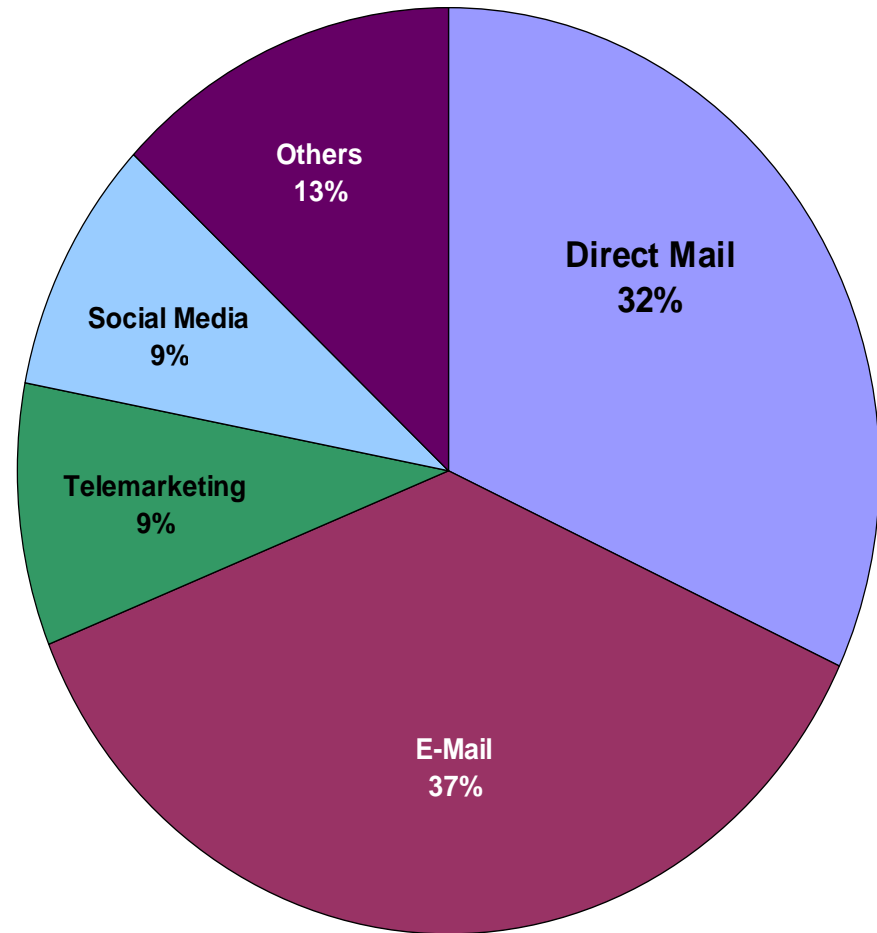
- Characteristics of Customers



Acquisition

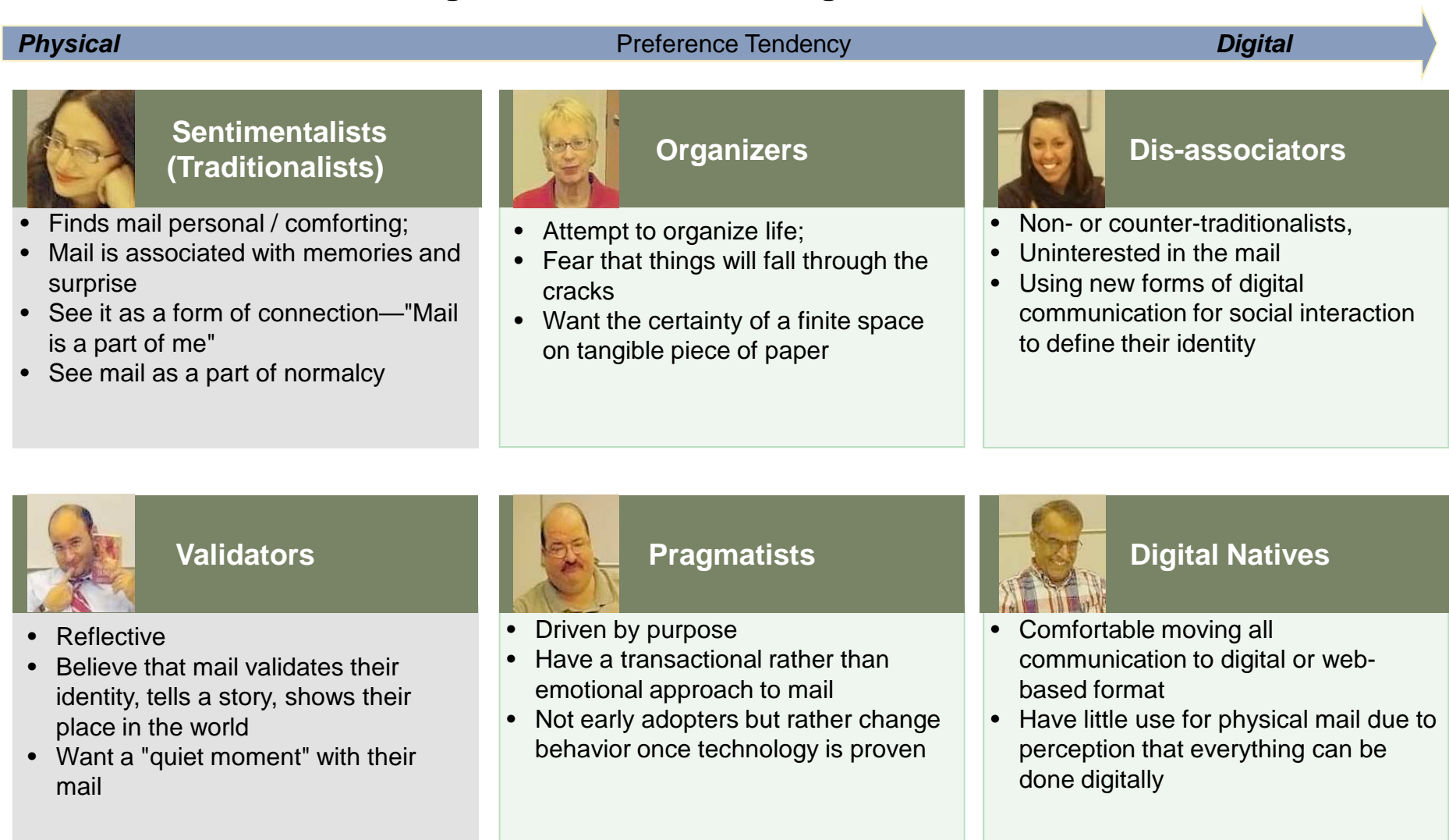


Retention



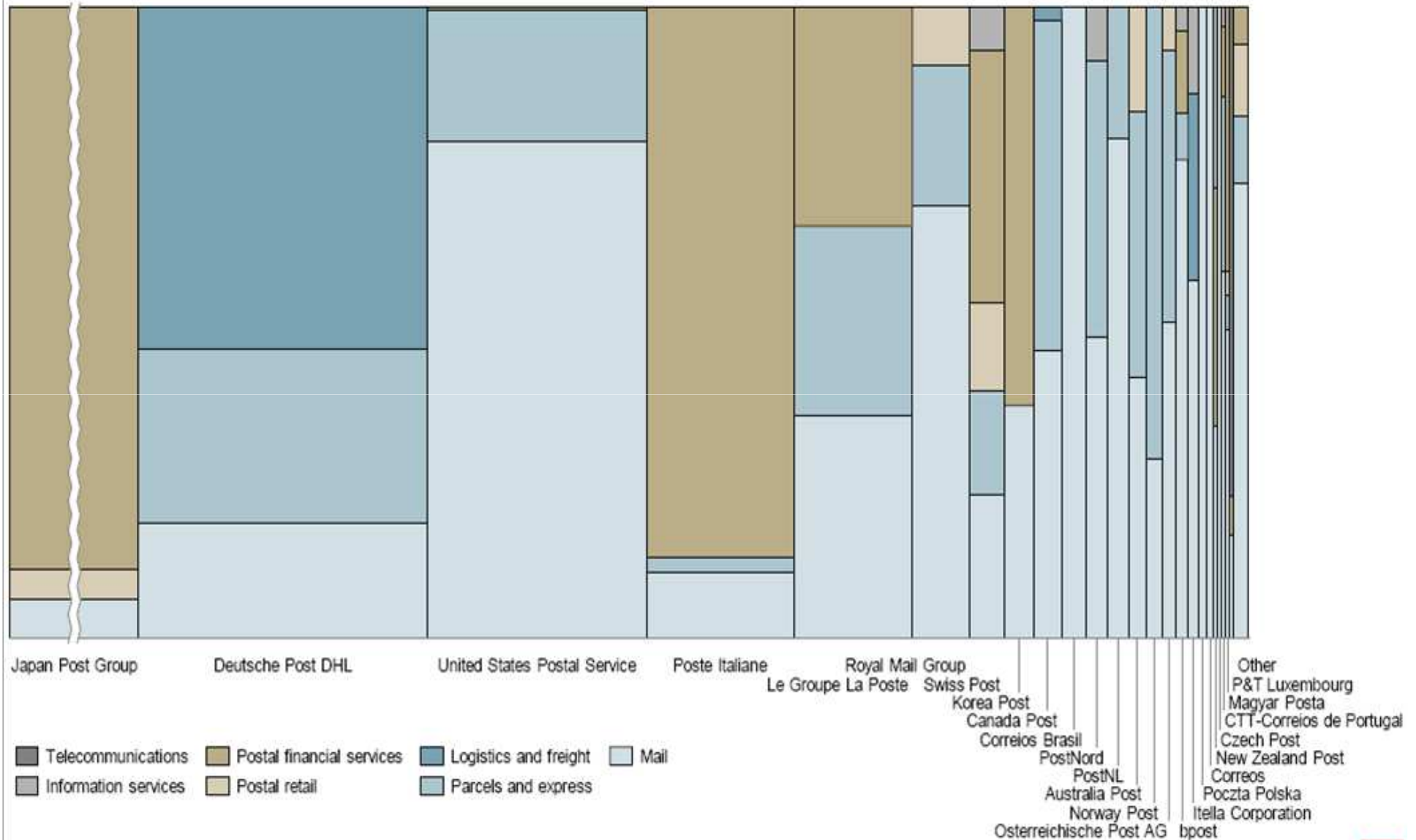
Alternatives to Mail

Six attitudinal consumer segments with different digital communication needs

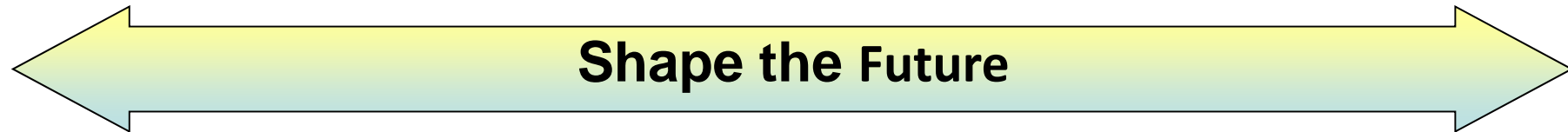


Posts need to chose their new core portfolio

2020 projected portfolio for postal operators



Notes: Width denotes amount of revenues. Excluding integrators
Source: IPC, BCG analysis



First-Class Mail

1. Slow diversion by adding value to hard copy to differentiate it from digital
2. Embrace new opportunities from digital and social media

Marketing Mail

1. Simplify the use of Marketing Mail
2. Enhance its value with emerging technologies

Shipping Services

1. Develop solutions to target the B2C shipping needs of the growing eCommerce market

Hybrid / Digital

1. Prepare for the future of digital communications
2. Create a hybrid-digital product platform



First-Class Mail – 2012

Increase the Value of Mail & Simplify

Keep Rates Low

- 2nd Ounce Free
 - Build connections and advertise
- Personalized Picture Permit Indicia

Keep Mail Relevant

- New Ad Campaign - Value of Mail
- Leverage Technology to Drive Value
 - IMb – tracking & information based controles
- Encourage Multi-Media Campaigns
- Alternate Postage





Marketing Mail – 2012 Value & ROI

Keep Prices Low

- Promotions

Simplify

- New Products

- Direct Mail Hub
 - Online platform linked to usps.com
- Every Door Direct Mail (EDDM)

Update Product to Drive Value

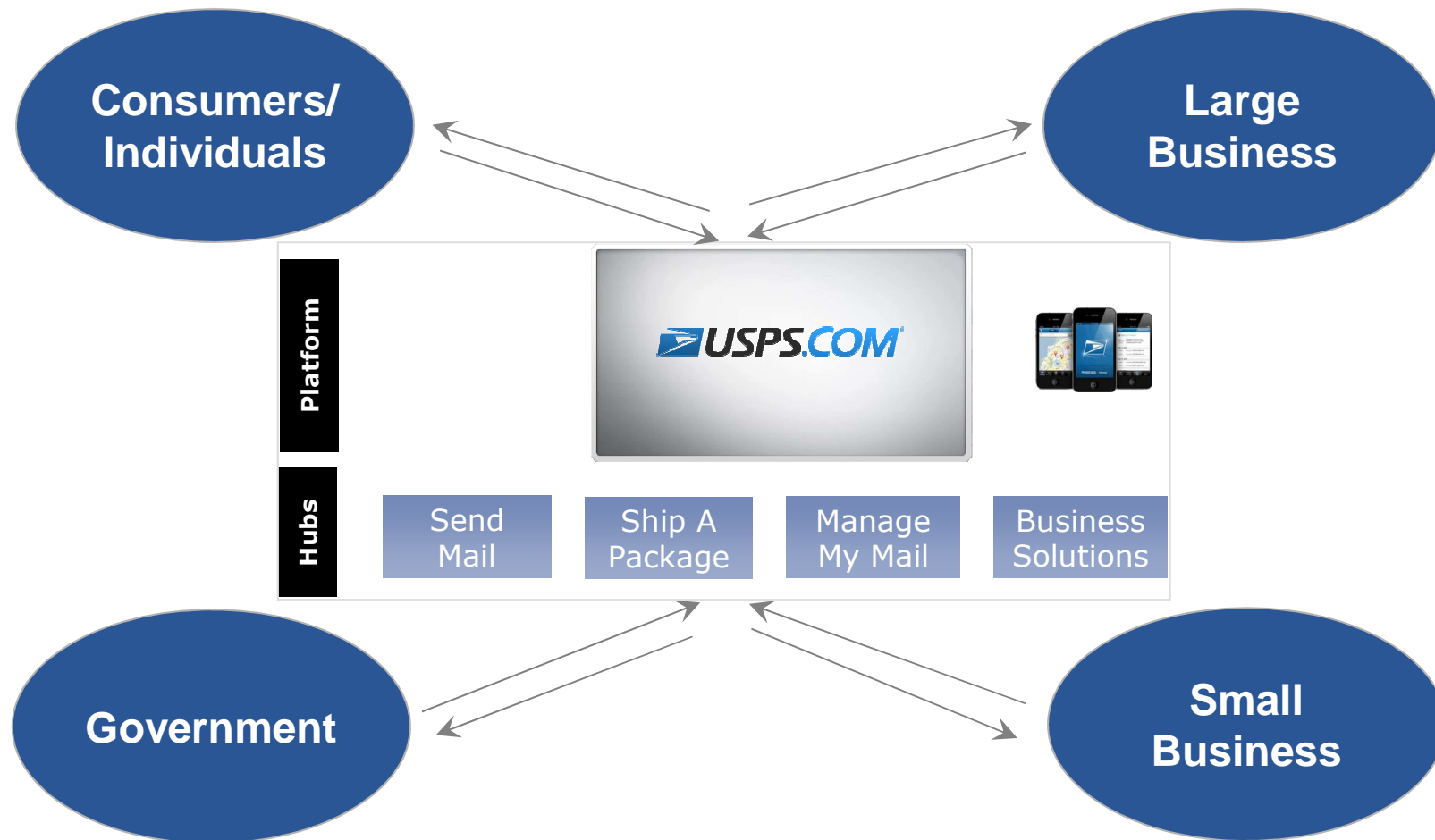
- e-Enhancements & Leverage Modern Technology
- QR Codes
 - Drive Directly to Websites
 - Explore Opportunities to link to Social Media





Meeting the Evolving Needs of the Market

Requires a comprehensive look at all stakeholder needs.





Shipping – 2012

- Leverage our extensive network
 - Last Mile Delivery
 - First Mile Pickup
 - Every Household 6 days/wk
 - 37000 Retail Units
- Making it easier to ship
 - Flat Rate Box
 - eEnhancements





Fighting for Our Future in Mail

Focus on Customers Needs & Provide Solutions

- First Class Mail & Marketing Mail
 - Keep Rates Low
 - Keep Mail Relevant
 - Simplify
 - Update Products to Drive Value