

UNITED STATES

POSTAL SERVICE®

Media Webinar

August 14, 2013

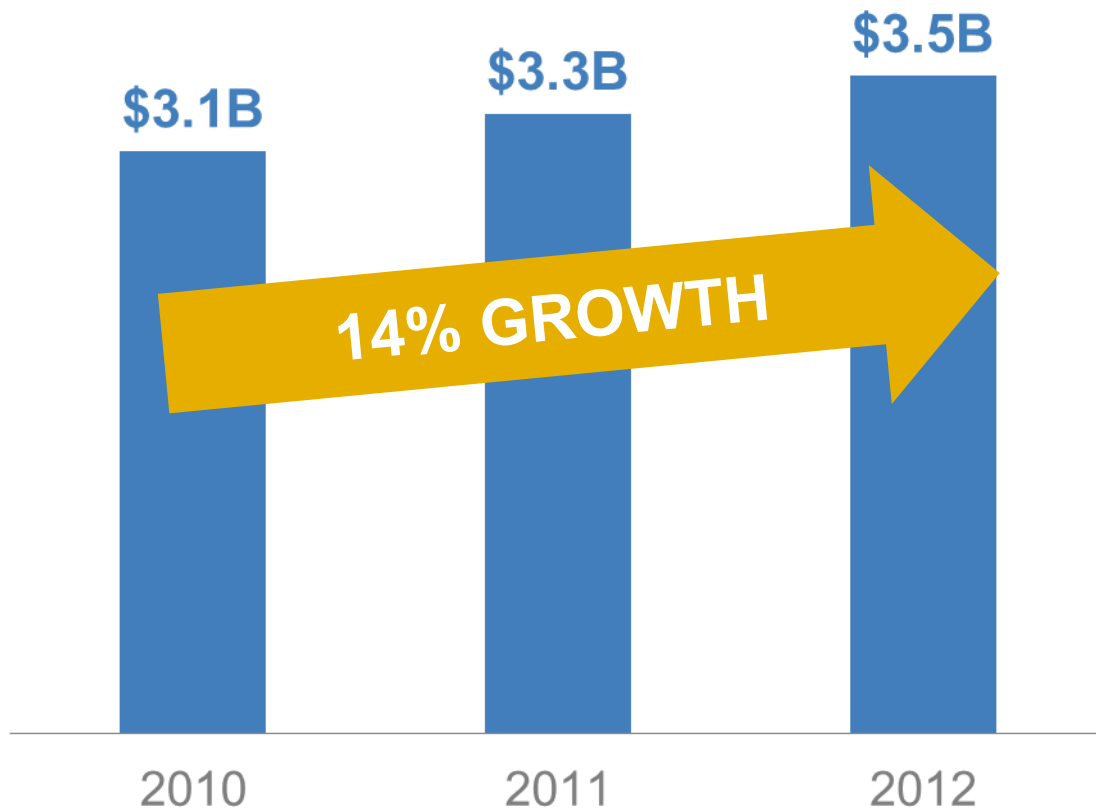
Today's Announcement



Major Upgrade of Priority Mail^{® 1}

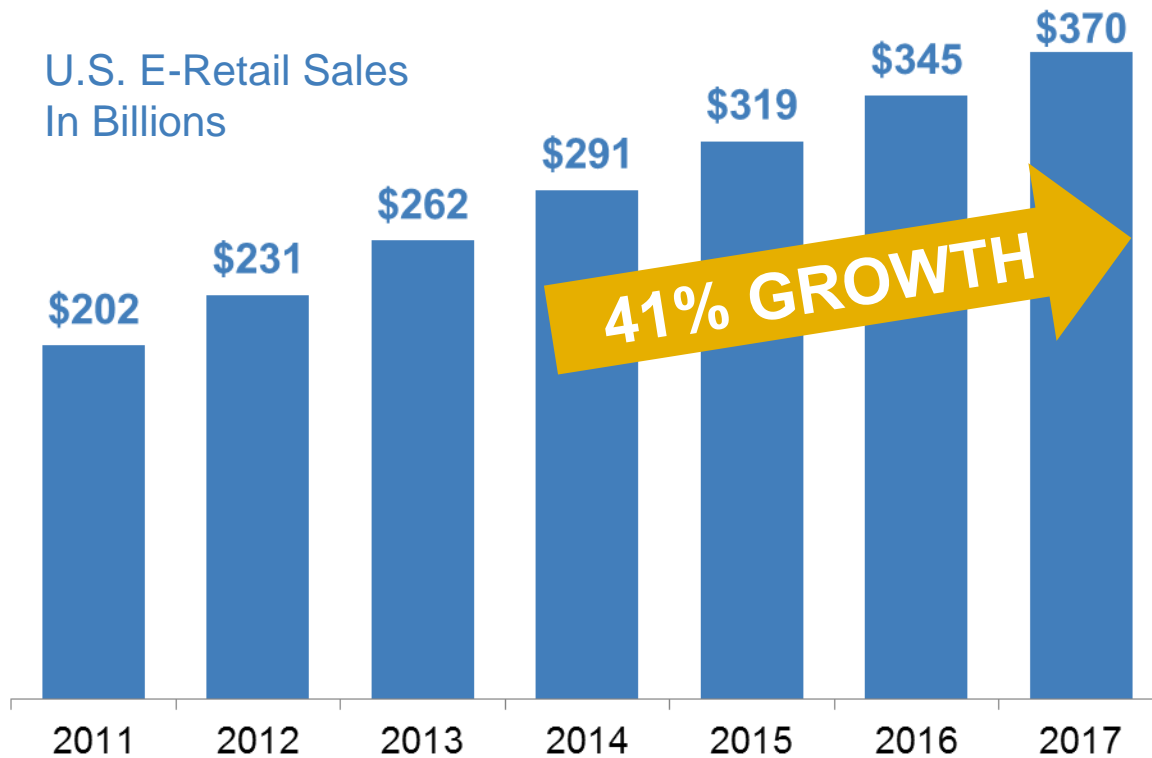
Improvements designed to close competitive gaps in the shipping marketplace and generate new revenue

Strong Growth in USPS® Package Delivery



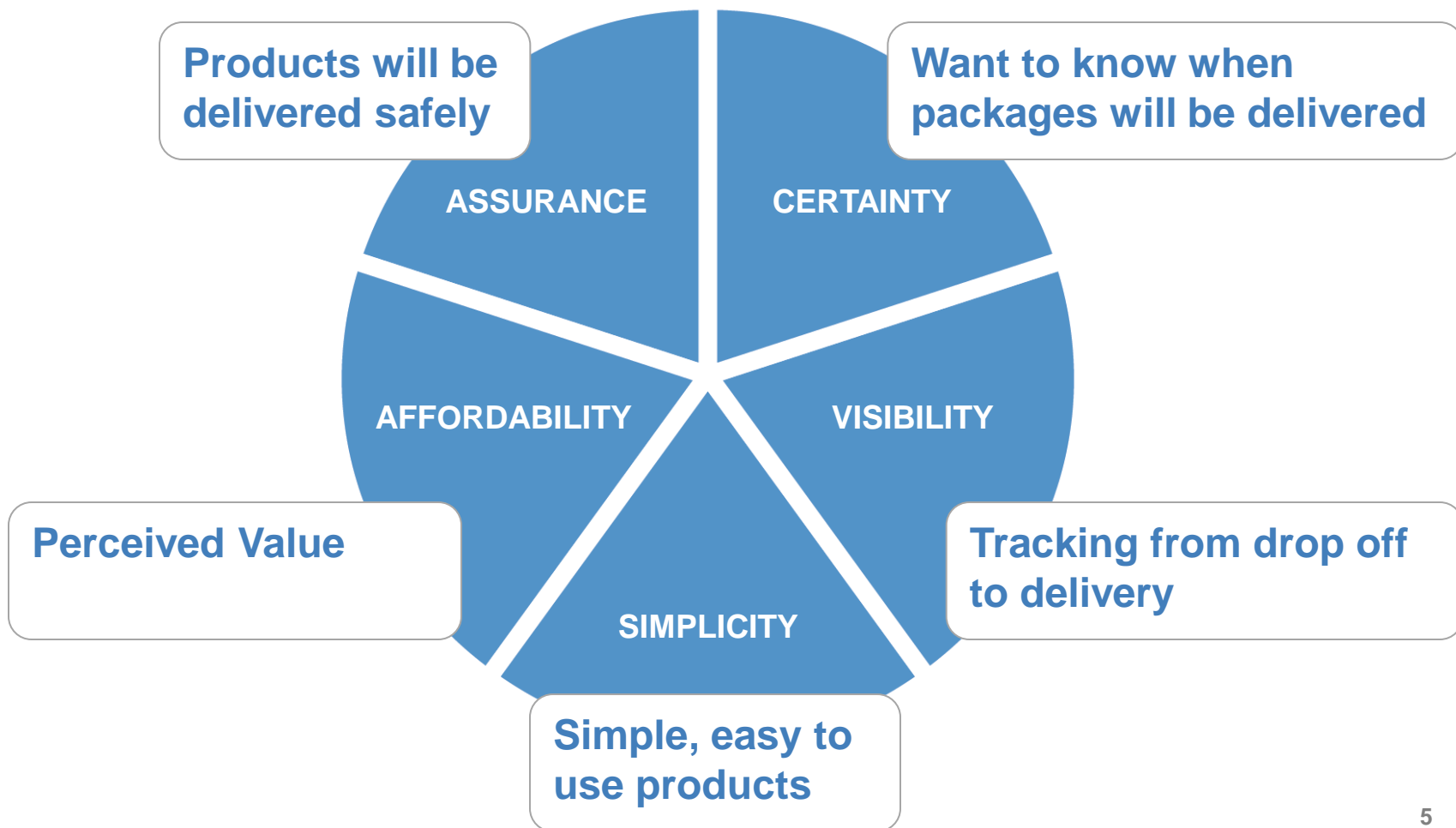
- E-Commerce Growth
- Strong Value Proposition
- Effective Innovation and Marketing
- Competitive Product Category

Projected U.S. E-Commerce Growth: 41% Over the Next Four Years



Online consumers
will increase their
spending by 62%
by 2016

Drivers of Customer Shipping Decisions



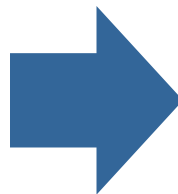
Our New Priority Mail® Line-up

Previous

New



Priority Mail®



Priority Mail® & Priority Mail Express®



Express Mail®

Improvement #1: Free Insurance



- Free insurance of \$50 per Priority Mail® package
- Free insurance of \$100 per package for Priority Mail Express™ and high-volume customers*
- Meets important requirement of small business customers

*Exclusions apply. Visit <https://www.usps.com/priority-mail/>

** Overnight Delivery to most U.S. destinations depending on drop off times and back by a money-back guarantee

Improvement #2: Day-Specific Delivery



- Scheduled delivery provided on receipts and online at Track and Confirm*
- 1, 2 or 3 day scheduled delivery based on origin and destination for Priority Mail®
- Money-back guarantee provided for Priority Express Mail™

Improvement #3: Improved USPS Tracking™



- Improved tracking from drop-off to delivery and many points in between
- Up to 11 scans per package
- Important for residential and business customers

Priority Mail: Legacy Attributes



- Free package pickup
- No fuel or residential surcharge
- Variety of package sizes and affordable pricing
- Easy Pricing with line-up of flat rate boxes
- Free boxes/envelopes delivered at no charge

Closing Competitive Marketplace Gaps

Features	USPS
Free Insurance	X
Day Specific Delivery	X
Tracking: Drop-off to Delivery	X
Free package pickup	X
Variety of package sizes	X
No fuel or residential surcharge	X
Free boxes/envelope delivered at no charge	X

} Only USPS provides these features

Improved Priority Mail provides the Postal Service with opportunity to capture more than a half a billion dollars in incremental revenue

**Exclusions may apply; visit usps.com for more details*

***Expected delivery date printed on receipt or provided at checkout*

Multi-channel Marketing Campaign

ADVERTISEMENT

Chef Carla Hall Shares Her Favorite Fall FLAVORS

Throughout the fall season, **Chef Carla Hall** is always on the go cooking up great new recipes, but that doesn't stop her from sharing her culinary creations. When she sends the latest to friends in far-flung places, she relies on **United States Postal Service®** Priority Mail Flat Rate® shipping for easy, reliable shipping.



My Carla Hall Petite Cookies are a wonderful treat for family and friends. The Savory Collection gift set fits easily into a Flat Rate® box.



With online tracking, I can keep tabs on my treats right from my kitchen. With improved tracking available online and through the app you can see when your package went out for delivery***



Whenever I send goodies, USPS brings the boxes! Schedule a Package Pickup** and your carrier will take care of the rest.



SHIPPING IS EASY

- 1 ORDER FREE PICKUPS** USPS will send them directly to you.
- 2 PAY AND PRINT POSTAGE** You can do it right from your own computer.
- 3 SCHEDULE A PACKAGE PICKUP**** Have your carrier pick up your package.**
- 4 USE USPS TRACKING™** You can track the delivery online.**

United States Postal Service®

*We make sure you're able to ship internationally when shipping internationally, maximum weight is 20 lbs. or 4 lbs. for Flat Rate Envelopes and Small Boxes. Visit usps.com/international for details. **Some restrictions may apply for availability and specific packages. ***International only. **Not available for certain destinations. Not available for Priority Mail International. See usps.com for details.

SEND AND RECEIVE JOY WITH EASE.

Chef Carla Hall shares her treats with the help of the United States Postal Service®. First, she orders free boxes for her home. Next, she prints postage and schedules a Package Pickup.™ Then she tracks her packages online using USPS Tracking™. Now that's easy! To find out more, visit usps.com/anyshipping.



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- Focused on reaching small businesses and frequent shippers
- TV/radio/online advertising begins in August
- Promotional direct mail to millions of businesses and residential customers

Available Today



- Post Offices™ and USPS.com® have begun using new packaging supplies and features
- To minimize environmental impact, prior packaging will be used in some locations until stock runs out
- USPS Packaging awarded for its environmental attributes
- Most Priority Mail® packaging may be used for Priority International® shipments¹

¹ Most Priority Mail Express packaging may be used for Priority Mail International Express™

Improved Priority Mail®



- Closes competitive gaps in an evolving marketplace and drives USPS® shipping growth
- Free insurance, improved tracking and specific delivery date meets the particular needs of small businesses and frequent shippers
- Provides a compelling new reason to do business with the Postal Service

*Exclusions may apply; visit usps.com for more details

**Expected delivery date printed on receipt or provided at checkout

Q&A Session

Patrick R. Donahoe

Postmaster General and Chief Executive Officer
United States Postal Service

Nagisa Manabe

Chief Marketing and Sales Officer
United States Postal Service

To ask a question, press #71

For a press kit on today's announcement, please visit usps.com/news

For more information on the improved Priority Mail, please visit usps.com/makingprioritymailbetter

Please direct additional questions to **Zy Richardson** at lindsay.n.richardson@usps.gov or 202-268-7841