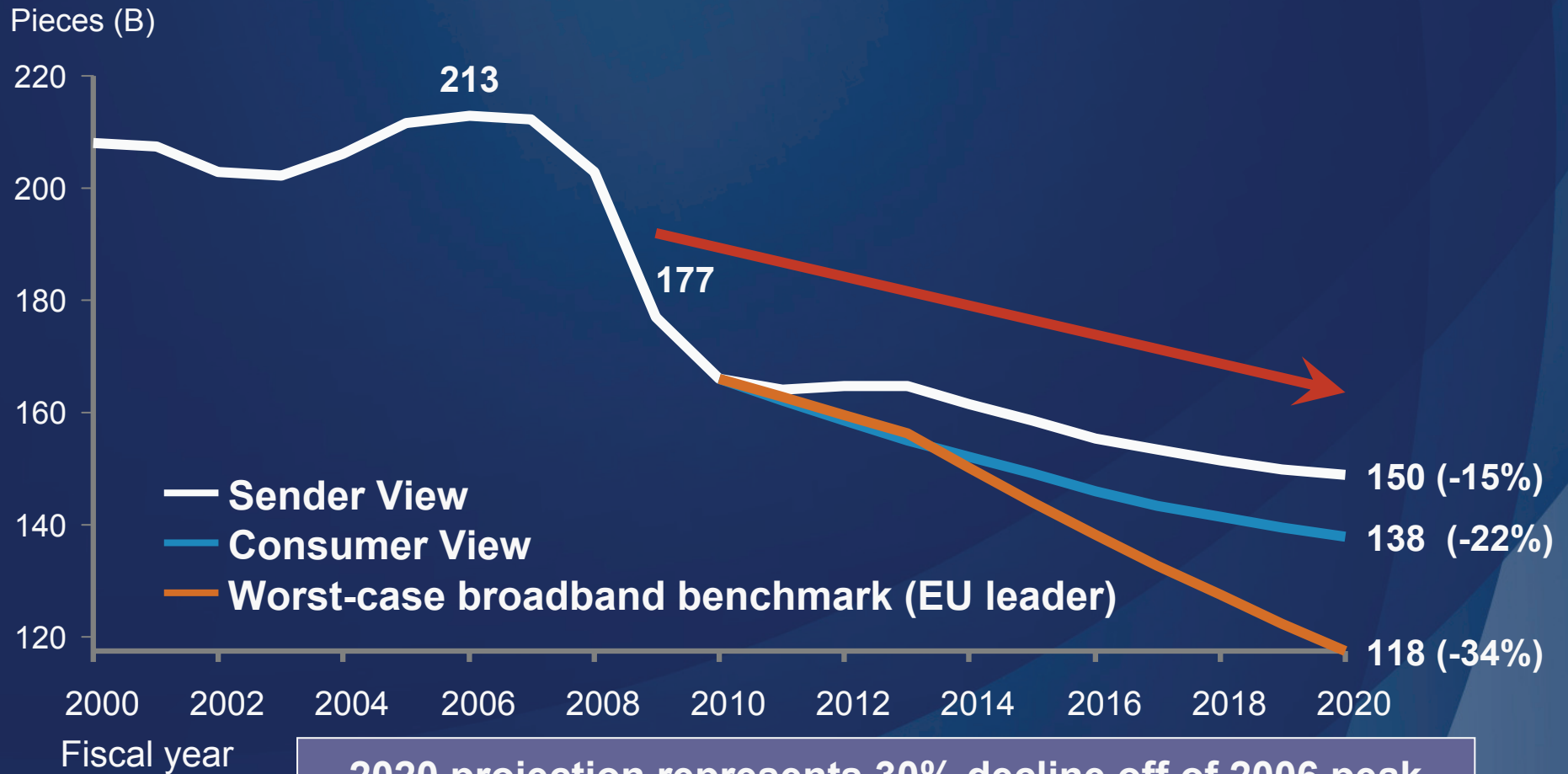


2020 Projections were then developed by aggregating segments into major mail classes

	<i>Volume Forecast</i>	<i>Key drivers</i>
<i>All Mail</i>	Fall to approx. 150B pieces from 177B in 2009 (-1.5% CAGR)	<ul style="list-style-type: none">• Sharp decline in First-Class Mail• Flat trajectory for Standard Mail
<i>First-Class</i>	Fall to approx. 50B pieces from 84B in 2009 (-4% CAGR)	<ul style="list-style-type: none">• Increasing online diversion driven by increased consumer acceptance
<i>Standard</i>	Remain roughly flat at 85B pieces (+0.4% CAGR)	<ul style="list-style-type: none">• Online diversion of retention mail• Some share gain from newspapers
<i>Packages</i>	A bright spot with projected 1B piece gain (+3% CAGR) – but not offsetting loss in core business	<ul style="list-style-type: none">• e-Commerce, including returns
<i>Other metrics</i>	Daily pieces per delivery point to fall from four to three	<ul style="list-style-type: none">• Declining mail volumes• Growth in delivery points
	Real revenue per delivery point expected to fall ~30%	<ul style="list-style-type: none">• Declining pieces per delivery point• Mix shift from First-Class to Standard

We project a volume decline of at least 15% by 2020 vs. 2009



2020 forecast sees ongoing decline in First-Class Mail

