

DYMO

Endicia

January 2, 2011 U.S. Postal Service® Price Change



DYMO Endicia
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Agenda

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- January 2011 U.S. Postal Service® Price Change Overview
 - Price tiers
 - Domestic
 - International
- Q&A
- High Volume Shipping
 - New Minimums
 - Priority Mail® changes
 - Express Mail® changes
 - General Changes
- Q&A

Pricing Definitions

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- Retail Pricing
 - The standard counter price for postage at the Post Office™.
- Commercial Base™ Pricing
 - The discounted price available to online postage users, including DYMO Endicia customers.
- Commercial Plus™ Pricing
 - Deeply discounted prices available to high volume shippers using domestic Priority Mail® and Express Mail®, including DYMO Endicia customers.

P	US POSTAGE AND FEES PAID * SAMPLE * Mailed from ZIP 94301 1 lb Priority Mail Rate Local Commercial Plus Pricing
	 VOID - DO NOT MAIL endicia.com 071V00587476
USPS PRIORITY MAIL®	
DYMO ENDICIA SALES 0006 385 SHERMAN AVE. PALO ALTO, CA 94306-1864	
SHIP TO:	Endicia Refunds Endicia Internet Postage 247 High St Palo Alto, CA 94301-1099
ZIP - USPS DELIVERY CONFIRMATION	
	
9405 5102 0079 3000 0135 26	
CERTIFY TEST ONLY - DO NOT MAIL	

Average 2011 Price Increases

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Mail Class	UPS	FedEx	U.S. Postal Service® Commercial Base
Overnight	6.9%	5.9%	0%
2 - 3 Day	5.9%	5.9%	3.2%
Ground	5.9%	5.9%	3.2%

Information based on published rate information from FedEx, UPS, and the U.S. Postal Service websites. USPS® percentages are based on Express Mail® and Priority Mail® rates.

Priority Mail® Changes

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💰 Commercial Base™ Saves Average 6.6% Over Retail!

Priority Mail Change (avg.)	
<i>Retail</i>	+ 3.9%
<i>Commercial Base</i>	+ 3.2%

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NEW Priority Mail Regional Rate Boxes

- Only available to Commercial Base™ and Commercial Plus™ customers, not retail counter
- Zone pricing, not weight based
- U.S. Postal Service® provided packaging only
- Available for order online at usps.com/shop



NEW Priority Mail Regional Rate Boxes

Box A		Box B	
15 lbs. maximum		20 lbs. maximum	
Side Loading	13 1/16" x 11 1/16" x 2 1/2"	Side Loading	16 1/4" x 14 1/2" x 3"
Top Loading	10 1/8" x 7 1/8" x 5"	Top Loading	12 1/4" x 10 1/2" x 5 1/2"

Boxes exceeding maximum weight limits will be charged based on weight and zone.

Regional Rate Box Pricing							
Boxes	Zone 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
A	\$4.97	\$5.08	\$5.58	\$7.15	\$7.83	\$8.36	\$9.37
B	\$5.81	\$6.88	\$8.06	\$10.51	\$12.29	\$13.12	\$14.62

- **Priority Mail Padded Flat Rate Envelope**
 - Retail & Commercial Base™ - \$4.95
 - Size: 12 ½" x 9 ½"
 - Available for order online at usps.com/shop

- **Priority Mail Legal Flat Rate Envelope**
 - Retail & Commercial Base - \$4.95
 - Size: 15" x 9 ½"
 - Available for order online at usps.com/shop

- **Envelopes Smaller Than 12.5" x 9.5" Now Flat Rate**
 - Any domestic USPS produced envelope smaller than 12.5" x 9.5" qualifies for Flat Rate Envelope price
 - Such as: gift card, window, & small cardboard envelopes



Express Mail® Changes

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💰 Commercial Base™ saves 5% over retail and is not going up in price!

Express Mail Change (avg.)	
<i>Retail</i>	+ 5%
<i>Commercial Base</i>	+ 0%

E	US POSTAGE AND FEES PAID * SAMPLE * Mailed from ZIP 94301 1 lb Express Mail Rate Local Commercial Plus Pricing
	 VOID - DO NOT MAIL™ endicia.com 071V00587476
USPS EXPRESS MAIL®	
DYMO ENDICIA SALES 16503212640 0006 385 SHERMAN AVE. PALO ALTO, CA 94306-1864	
WAIVER OF SIGNATURE REQUESTED	
SHIP TO:	Endicia Internet Postage 247 High St Palo Alto, CA 94301-1041
ZIP - USPS EXPRESS MAIL	
 9405 5102 0079 3000 0135 26	
POSTAL USE ONLY	
Date In: Mo. Day Year	Time In: <input type="checkbox"/> AM <input type="checkbox"/> PM
Day of Delivery: <input type="checkbox"/> Next <input type="checkbox"/> Second	<input type="checkbox"/> 12 Noon <input type="checkbox"/> 3 PM
Return Receipt <input type="checkbox"/>	COD <input type="checkbox"/> Additional Insurance <input type="checkbox"/>

- **Express Mail Legal Flat Rate Envelope**
 - Pricing:
 - Retail - \$18.30
 - Commercial Base™ - \$17.40
 - Legal Size: 15" x 9 ½"
 - Available for order online at usps.com/shop

■ **Hold For Pickup**

- Available for the following mail classes:
 - Express Mail
 - Priority Mail
 - First Class Mail Parcel
 - Parcel Select
- Automatic email and text notifications added for both sender and recipient of package
- At least one of the following services must be used: Insured Mail (for at least \$200), Delivery Confirmation™, Signature Confirmation™

■ **Parcel Select 1lb. is now Zone Based**

■ **New Signature Services**

- Two new extra services available for Express Mail[®], Priority Mail[®] and single piece Parcel Select[®]
 - **Adult Signature Required**
 - ✓ Requires age appropriate signature at time of delivery
 - **Adult Signature Restricted Delivery**
 - ✓ Requires the specific addressee signature at time of delivery

Additional Changes

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- **Retail Distribution Code (RDC)**
 - Requirement for PC Postage® applications
 - Human readable notation for basic mailflow separation
 - Improves efficiency and service performance
- **New Intelligent Mail Package Barcode gives access to new features**

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- **End of web site support for Internet Explorer 6 including web account pages and web site information**
- **Mac OS support OS X v10.4 and above**
- **Starting late Jan. insurance agreement acceptance will be required to use DYMO Endicia Parcel Insurance**

Commercial Base™ saves over retail!

Mail Class	Avg. Retail Increase From 2010	Commercial Base Savings Over Retail
<i>Priority Mail International</i> ®	+3.8%	5%
<i>Express Mail International</i> ®	+3.1%	8%



Priority Mail International[®] Additions

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Priority Mail International Legal Flat Rate Envelope & Priority Mail International Padded Flat Rate Envelope

Group	Retail Pricing	Commercial Base™ Pricing
Group 1	\$11.95	\$11.35
Groups 2 - 17	\$13.95	\$13.25



Express Mail International[®] Additions

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Express Mail International Legal Flat Rate Envelope

Group	Retail Pricing	Commercial Base [™] Pricing
Group 1	\$26.95	\$24.79
Groups 2 - 17	\$29.95	\$27.55



- **International Price Groups**
 - Expanding from 10 to 17

- **Flat Rate Envelope Pricing for Mexico**
 - Express Mail International® Flat Rate Envelopes going to Mexico will fall under the “All Other Countries” price tier, only Canada will have a unique price

- **Priority Mail and Express Mail USPS International Insurance Rates are Increasing**
 - USPS Priority Mail International insurance – Canada priced same as all other countries
 - Endicia Parcel Insurance prices stay the same

2011 Average Retail Increases and Commercial Base Savings

Mail Class	Avg. Retail Increase	Commercial Base Savings Over Retail
<i>Priority Mail</i> [®]	+3.9%	6.6%
<i>Express Mail</i> [®]	+5.0%	5%
<i>Priority Mail International</i> [®]	+3.8%	5%
<i>Express Mail International</i> [®]	+3.1%	8%

DYMO Endicia Makes It Easy

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- DYMO Endicia software will automatically update with the new prices. After the update, any pieces postmarked January 2, 2011 or later will use the new prices.
- As part of any Endicia service plan, your software is automatically updated in advance with any changes, at no additional cost.
- 2011 prices for First-Class Mail[®], Media Mail[®], Parcel Post[®] and other market dominant mailing services are still being evaluated.

If you haven't done so already, please take this time to submit questions to our speakers using the Q&A chat window on your console.

This presentation will be available for download at:
<http://www.endicia.com/Support/Webinars>

- Phone
 - 800-576-3279
 - Support - Ext 130
 - Sales - Ext 140
 - 6am - 6pm Pacific Time
- Email
 - Support@endicia.com
 - Sales@endicia.com
- Web
 - www.endicia.com/pricechange
 - www.usps.com/prices
- Social Media
 - www.twitter.com/endicia
 - www.facebook.com/dymo.endicia



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High Volume Shipping



- Commercial Plus™ Pricing
 - Commercial Plus Minimums Lowered
 - Priority Mail®
 - Critical Mail™
 - Commercial Plus Cubic pricing
 - Express Mail®
 - New Flat Rate options

Commercial Plus™ Minimums Lowered



Mail Class	2010 Threshold (pieces annually*)	2011 Threshold (pieces annually*)
Express Mail®	6,000	5,000
Priority Mail® <i>(including letters, flats, packages, & Padded Flat Rate Envelope)</i>	100,000	75,000
Priority Mail Letters and Flats <i>(excludes Padded Flat Rate Envelope but includes Critical Mail)</i>	100,000	5,000
Cubic	250,000	250,000

*Except for Express Mail which is based on prior 4 quarters

Priority Mail[®] Changes

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 **Commercial Plus[™] saves avg. 13.6% over retail!**

Priority Mail [®] CPP Change (avg.)	
<i>Retail</i>	+ 3.9%
<i>Commercial Plus</i>	+ 2.0%

■ Qualification

- 75,000 domestic Priority Mail[®] pieces (letters and flat included) for PM package, letters and flats CPP
- 5,000 Priority Mail letters and flats including Critical Mail (excludes Padded Flat Rate Envelope) for Priority Mail letters and flats CPP
- 600 PMOD containers (new 5lb. minimum weight)
- Customer Commitment agreement with the U.S. Postal Service[®]

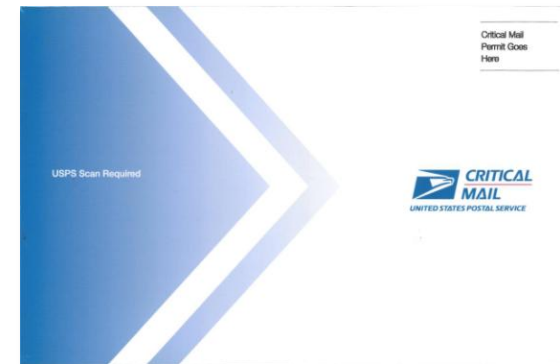
Priority Mail® Changes

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Critical Mail™

- Must meet 5,000 piece annual volume threshold AND have customer commitment agreement
- U.S. Postal Service® packaging only, available for order online at usps.com/shop to authorized customers only
- Travels in First-Class Mail® stream
- No charge for Delivery Confirmation™ Service



Priority Mail[®] Changes

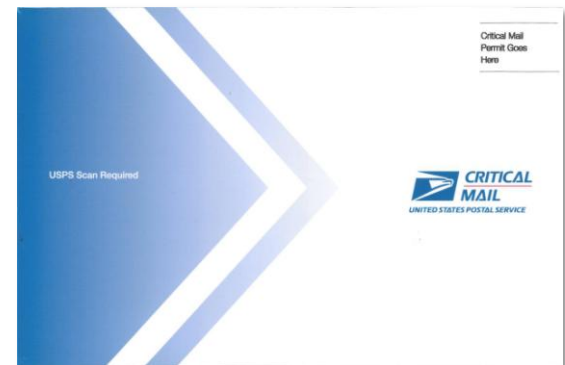
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Critical Mail[™]

Critical Mail Pricing

Size	Max. Thickness	Max. Weight	All Zones
Critical Mail Letters	1/4"	3 oz.	\$3.50
Critical Mail Flats	3/4"	13 oz.	\$4.25



Commercial Plus™ Cubic

- Rolls and tubes are not eligible and no dimension may exceed 18"
- 250,000 domestic Priority Mail® pieces during the prior calendar year
- New Rounding Rules
 - Each dimension should be rounded down to nearest ¼"
 - Multiply L x W x H and divide by 1728

Example:

Package measurements = 6.59" x 6.23" x 6.05"

Rounded down dimensions = 6.5" x 6" x 6"

$6.5" \times 6" \times 6" = 234/1728 = \mathbf{0.135}$

This piece exceeds .10 (Tier 1 Threshold)

Will be calculated at next tier price – **Tier 2** (.101 - .20)

- Just enter dimensions and DYMO Endicia will calculate the cubic volume

Express Mail[®] Changes

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\$ Commercial Plus[™] saves about 24% over retail!

Express Mail CPP Change (avg.)	
<i>Retail</i>	+ 5%
<i>Commercial Plus</i>	- 5%

■ Qualification

- 5,000 domestic Express Mail[®] pieces during the prior four quarters
- OR Customer Commitment agreement with the U.S. Postal Service[®]



- **Priority Mail & Express Mail Legal Flat Rate Envelope**
 - Commercial Plus Pricing:
 - Priority Mail - \$4.90
 - Express Mail - \$12.72
 - Size: 15" x 9 ½"
 - No longer weight and zone based
 - Available for order online at usps.com/shop

Summary Of High Volume Changes

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Commercial Plus highlights:

- Lower annual minimums for Commercial Plus™ pricing
- Critical Mail™
- Decrease in Express Mail Commercial Plus™ pricing
- Commercial Plus Cubic calculation
- New Flat Rate options

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