ESCHER GROUP™

January 13, 2003

Mr. Mike Allen
Staff Writer
Washington Post
1150 15th Street, NW
Washington, DC 20071

Dear Mr. Allen:

Postal authorities around the globe—including the USPS—have been struggling to meet the rising costs of universal service while losing money due to increased competition and the rapid spread of electronic communications and e-commerce. While many postal organizations are straining under the burden of these challenges, others have found a way to turn competition and technology to their advantage and have subsequently *increased* their revenues. *How do they do it?*

Following your recent articles about the President's Commission on the United States Postal Service, and in light of the commission's first meeting last week, I believe a follow-up story on this topic may be of interest to your readers.

Postal automation is a growing trend that enables post offices to: 1) effectively compete with the private sector through an increased range of service offerings; and 2) take advantage of technological advances to achieve cost savings, increased efficiency, and improved customer service.

Escher Group is a leading provider of peer-to-peer messaging and data management solutions that have helped postal organizations in Europe, Asia, Australia, and Africa to triumph over the challenges inherent in today's postal industry. These postal authorities have successfully implemented automation projects that have boosted their revenues, helping to fund their universal service obligation. Furthermore, while other countries (including the US) have had to close down unprofitable remote post offices, Escher's technology has enabled our customers to support these smaller, rural postal outlets, which provide an important service to their respective communities.

The short profiles on the following page highlight the results achieved by several of our customers, demonstrating how their successful postal automation projects have enhanced their business in many ways.

Mr. Allen, given your insightful coverage of the recent news pertaining to the US Postal Service, I hope that you will see the value in a follow-up story of this nature. If other postal administrations have been able to turn competition and technology to their advantage—increasing their revenues in the process—it would seem that the USPS has similar potential to achieve sustainable postal reform.

If you wish to pursue this story, please contact me for additional details—I would be happy to arrange interviews with our executives and/or the customers profiled in the postal success stories. Thank you for your consideration; I look forward to hearing from you.

Sincerely,

Lisa Fulton
Vice President, Corporate Communications

Postal Success Stories

The following are a few examples of Escher Group customers that have implemented postal automation solutions to effectively compete with the private sector and achieve cost savings, increased efficiency, and improved customer service:

CTT Correios de Portugal – In November 1999, CTT Correios de Portugal selected Escher Group's Riposte solution to automate 4,000 workstations throughout the country. The product suite enables Portugal to manage transactions in all locations securely and cost-effectively. In 2001, CTT Correios selected Escher's multi-channel product, WebRiposte™, to upgrade its registered letters delivery system, which now provides management and operational data on the delivery performance of registered items and has simplified their customers' access to track and trace. The Escher solutions have also enabled CTT Correios to integrate profitable new service offerings that address customers' needs, including Banco Postal financial services and Western Union money transfers. **In addition to helping CTT increase customer satisfaction and generate additional revenue, Escher's products have improved the organization's operational efficiency. Their simplicity and ease of use have reduced training to one or two days and minimized the number of help desk calls, resulting in substantial cost savings.**

Post Office Ltd. – In 1996, the UK Post Office selected Riposte to automate 39,000 counter positions used by some 65,000 postal staff. Currently, the UK installation processes in excess of 7 million transactions per day, which makes the Post Office's system the largest secure retail/banking computer network in Europe. **Not only has Riposte enabled the Post Office to effectively support smaller, remote postal outlets, it has helped the organization to serve parts of rural England where no retail mail service has gone before!** A mobile shop and post office—similar to a bookmobile—is now making the rounds in the county of Hampshire, enabling the residents of several small villages to mail packages and purchase groceries and stamps without having to travel miles to the nearest post office. To further extend its service offerings, the UK Post Office upgraded to Escher's WebRiposte product in December 2000. The new platform will enable the organization to offer network banking, bureau de change, and a range of e-commerce services.

Singapore Post – Singapore Post operates 60 post offices, with a total of 300 counters. When the postal administration implemented Escher's Riposte solution in 1996, it eliminated manual backup to floppy disks and dramatically reduced queue times. In addition, the organization's central office gained access to complete transaction data information from its entire counter network. In 2001, Singapore Post selected Escher's WebRiposte™ solution to upgrade its counter automation system. WebRiposte provided a clear migration path toward multi-channel applications. **These applications can be deployed beyond counter automation networks into other parts of the enterprise, over the Internet, and even into customer and partner organizations — thereby increasing efficiency and creating new revenue opportunities.**