

ID Mail Systems

New Revenues in Flats

NAPM 2007 Annual Meeting

Palm Desert, CA



New Revenues in Flats

Business Plan

**Make Most Amount of
Revenue with the Lowest
Cost of Investment**

New Revenues in Flats

2007 Rate Case Opportunity

■ Summary

- USPS Proposed Rates Offer Revenue Opportunity for Flats – 1st and Standard
- Maximum Letter Weight – 3.5 oz.
- Introduction of Shape Based Pricing
- Presort Rate
 - 1 to 5 oz Flats Prices Increase by 11¢
 - 6 oz Plus Prices Decrease from 4¢ to 25¢

New Revenues in Flats

2007 Rate Case Opportunity

■ Summary

■ Automation Rates

■ Presort to Auto

■ Old Rates - 1¢

■ New Rates - 5¢

■ MADC to 5 Digit

■ Old Rates - 4¢

■ New Rates - 7¢

First-Class Mail — Presorted

Current

Weight Not Over (ounces)		
	Letters	Flats
1	\$0.371	\$0.429
2	0.608	0.608
3	0.802	0.802
4	1.039	1.039
5	—	1.276
6	—	1.513
7	—	1.750
8	—	1.987
9	—	2.224
10	—	2.461
11	—	2.698
12	—	2.935
13	—	3.172

Proposed

Weight Not Over (ounces)		
	Letters	Flats
1	\$0.400	\$0.519
2	0.600	0.719
3	0.800	0.919
4	1.000	1.119
5	—	1.319
6	—	1.519
7	—	1.719
8	—	1.919
9	—	2.119
10	—	2.319
11	—	2.519
12	—	2.719
13	—	2.919

3oz Increase by 11¢



6oz No Increase



Presort to Auto 1¢

Presort to Auto 5¢ +

Weight Not Over (ounces)	Automation Flats			
	Mixed	ADC	3-digit	5-digit
	ADC	ADC	3-digit	5-digit
1	\$0.417	\$0.409	\$0.397	\$0.376
2	0.596	0.588	0.576	0.555
3	0.790	0.782	0.770	0.749
4	1.027	1.019	1.007	0.986
5	1.264	1.256	1.244	1.223
6	1.501	1.493	1.481	1.460
7	1.738	1.730	1.718	1.697
8	1.975	1.967	1.955	1.934
9	2.212	2.204	2.192	2.171
10	2.449	2.441	2.429	2.408
11	2.686	2.678	2.666	2.645
12	2.923	2.915	2.903	2.882
13	3.160	3.152	3.140	3.119

Weight Not Over (ounces)	Automation Flats			
	Mixed	ADC	3-digit	5-digit
	ADC	ADC	3-digit	5-digit
1	\$0.465	\$0.433	\$0.423	\$0.398
2	0.665	0.633	0.623	0.598
3	0.865	0.833	0.823	0.798
4	1.065	1.033	1.023	0.998
5	1.265	1.233	1.223	1.198
6	1.465	1.433	1.423	1.398
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First-Class Mail — Automation

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Only 4¢ to a 5 Digit

Now 7¢ to a 5 Digit

Making Revenue with Flats

1st Class Flats

Available Discounts on a 60z Flat

Current

- Full Rate - \$1.59
- Presort Rate - \$1.513
- ADC – \$1.493
- 3 Digit Rate - \$1.481
- Total Available
 - Full to 3D - 10¢
 - Presort to 3D - 3¢

Proposed

- Full Rate - \$1.62
- Presort Rate - \$1.519
- ADC – \$1.433
- 3 Digit Rate - \$1.423
- Total Available
 - Full to 3D - 20¢
 - Presort to 3D – 9.6¢

Making Revenue with Flats
10,000 6oz 1st Class Flats
Sorting from Presort to 3 Digit

Current

- Presort Rate - \$1.513
- 3 Digit Rate - \$1.481
- Revenue - 3¢ per piece
- Total Available - \$320.00

Postage Paid - \$14,810

Proposed

- Presort Rate - \$1.519
- 3 Digit Rate - \$1.423
- Revenue – 9.6¢ per piece
- Total Available - \$960.00

Postage Paid - \$14,230

New Revenues in Flats

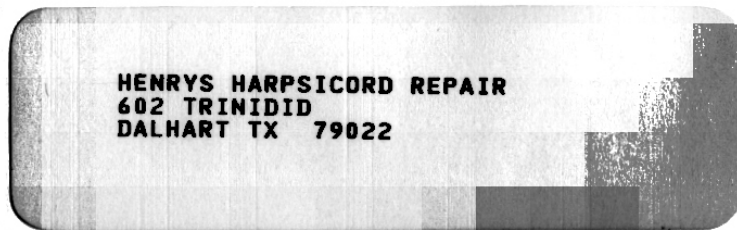
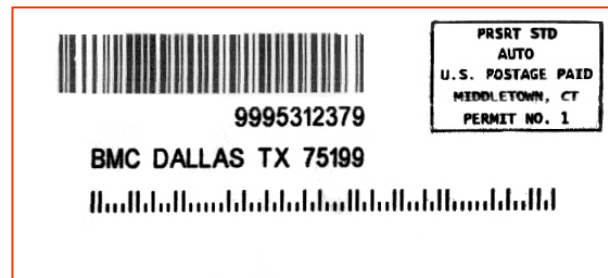
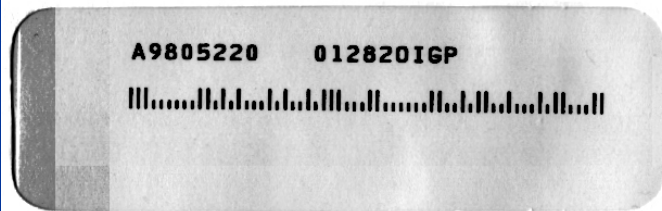
What's the Problem?

No VAR on Flats

You either Pay Up the Postage
Lose Revenue for Your Effort

Itemized Manifest

No More Metering



Unique ID Number

Print Permit

Print Barcode

Weigh Each Piece

Approved Paperwork

ID Mail Dispatcher

- Flats up to 8,000/hour
- Manifest Software
 - 1st Class Flats
 - Standard Class Flats
 - Media
 - Library
 - BPM
- Weigh-on-the-Fly
- 2" Ink Jet Printer
- Labeling
- Multi-Tiered Sorter



New Revenues in Flats

Business Plan

**Make Most Amount of
Revenue with the Lowest
Cost of Investment**

ID Mail Systems Announces Low Cost Flats Sorter

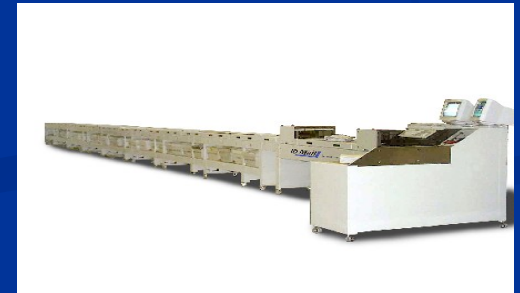
8,000 flats per hour

Process up to $\frac{3}{4}$ " thick flats

Optional Manifest Mail Software (In-Line Scale Required)

Dispatcher System with 32 Bins - \$196,100

OR \$ 4,027 per month



Need More Bins or Don't Have Enough Space

Dispatcher System with 33 TL3 Bins - \$227,100

OR \$ 4,665 per month



New in 2007

**The
MAXIMIZER SYSTEMS**

**Affordable
Automation for Parcels**

MAXIMIZER SYSTEMS

THE MAX-M SYSTEM

- PC Manifest Workstation
- Imager w/ OCR
- Barcode Labels w/
Permits
- Mixed Weigh Mailings
- Unique ID Tag Numbers
- Manifest Reports



The MAX-A System



ID Mail Systems

Thank You