

NEW POSTAL RATES GREAT FOR FLATS

Automation Discounts for First Class Flats (effective May 12, 2008)

Ounces	Full	MXD	Spread	ADC	Spread	3-Digit	Spread	5-Digit	Spread
1	0.83	0.702		0.57		0.479		0.364	
2	1.00	0.872	0.128	0.74	0.260	0.649	0.351	0.534	0.466
.	.		↓	.	↓	.	↓	.	↓
13	2.87	2.742		2.61		2.519		2.404	

LAFAYETTE, IN (February 13, 2008) – Engineering Innovation, Inc. announced today that sorting flats profitably just got easier for users of its EZ-Flats system with the Postal Service's announcement for new postage prices, effective May 12.

Spreads associated with the Automation Discounts for First Class flats increased dramatically, with the biggest gain at 4.9¢ for the 5D qualification level. The following chart breaks down the spreads for the four qualification levels.

Automation Spreads for First Class Flats (New vs. Current: 1-13 oz.)

Level	New	Current	Increase
5D	0.466	0.417	0.049
3D	0.351	0.316	0.035
ADC	0.260	0.233	0.027
MXD	0.128	0.114	0.014

Current users of the MLOCR-based EZ-Flats system are already demonstrating strong profitability, even for daily flats volumes less than 1000, because of the system's very low up-front cost *and* its ability to execute a manifest mailing for bundle-based preparation. (Bundle-based preparation has a qualification requirement of only 10 mail pieces versus 90 for tray-based preparation.)

The increase in spreads at all qualification levels mean that EZ-Flats users will be positioned to experience a major increase in the profitability of their flats business which, for many, has become a new profit center only in the past few months.

In-state flats mailings using bundle-based preparation, for example, almost universally qualify for 3D discounts. In addition, significant percentages of daily in-state mailings qualify at 5D. The increase in the spreads at 3D and 5D create a per piece gain, on average, of more than 4¢ for these mailings. With per piece gross profit margins already in the range of 15-20¢, profitability gains will be significant.

EZ-Flats users nationwide are proving that sorting First Class flats can be profitable today, not sometime in the future. Beginning May 12, however, prospects get even better.

[For a complete breakdown of the new Postal rates, proceed to the following link:
http://pe.usps.com/2008_RateCase/RateCharts/R08_Rate_Charts.pdf Flats appear on page 3.]