13th May 2009

Dear POS DOS User,

Re: Upgrading your XchangeIT EDI for full service

The new XchangeIT LINK addresses and incorporates several things that participating newsagents have expressed would be beneficial for the efficient operation of their businesses.

Most significantly, the new XchangeIT LINK provides a single portal for newsagents to send their Returns data to each of the distributors, and then use on-line Returns forms to apply for credits.

The new system also provides for sales inventory data to be more conveniently sent and managed by newsagents.

Overall, it is a much more effective and efficient business tool for newsagents, provided you have a compliant POS system.

Unfortunately, POS DOS users will not be able to be compliant because the technology cannot deliver the required EDI.

Additionally, at least one distributor has stated that they will stop accepting returns claims generated from an agents POS unless they are sent via EDI, which is what XchangeIT does.

Also, the fee will be significantly more expensive.

Under the new pricing structure POS DOS users will pay an annualised fee of $600 (excluding GST) for 3 months after Go-Live. Go-Live is approximately end May, beginning of June 2009. Thereafter, the fee goes up to $850 (excluding GST). This can be contrasted with compliant users who will pay $400 (excluding GST). These prices were announced on 24th March 2009.

Please see the table below for a comparison of services between a compliant POS system and POS DOS.

Benefits	Compliant POS	POS DOS
Big discount off the base fee	$400 Ex GST	$850*
Manage your Cash Flow via better Returns management	√	
ALL Returns are considered by magazine distributors	√	
Single EDI portal saves time, is more accurate	√	
Protect future sales via on-time replenishment	√	
Automated Delivery data – save time	√	√
Automated Sales Inventory data – save time, be accurate	√	
Automated Returns Data, claims – earlier credits, accuracy	√	
Headlines, file notes, reports = you know status of your business	√	
Return on Investment (ROI) is potentially very positive**	√	

* Annualised fee, Ex-GST. For 3 months after Go-live the fee will be $600 Ex-GST to allow you to change your POS system within that time. XchangeIT reserves the right to change the fee and cancel the service with one month's notice.

**Example of a newsagent ROI, provided by a newsagent:
Cost of XchangeIT Link = $400 a year.
Indicative time saved (according to current users) = at least 2 hours a week = 104 hours a year.
Conservatively assuming 104 hours multiplied by a wage of $8 an hour = indicative savings of $832
(NOTE: 2008 minimum wage = $14.31 an hour).
$832 minus $400 = $432 – a 108% positive ROI.

Our preference is for everyone to be at the compliant pricing level, paying only $400 (excluding GST) for services that yield very attractive efficiencies.

We hope that you will consider upgrading your POS system to be XchangeIT compliant so that you can make use of all the benefits.

We would be happy to take you through a demo of how the new XchangeIT LINK works for compliant newsagents.

Best regards,

Chris Leach
General Manager
XchangeIT Pty Ltd
By Email