

FAS *Floral Accounting Systems, Inc.*

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Dear FAS Customer,

FAS released its new Version 2002 software in November. The response to FAS's newest product has been overwhelmingly positive. Version 2002 was shipped on a tape with the latest wire service directories. If you have not loaded FAS's new software, be sure to do so before returning the tape to FAS.

Included with the new software were the release notes for Version 2002, which documented the major changes in the new software. One of the updates I intended to write about but overlooked involved FAS's Invoice Analysis Report (Report Menu, Option F). This report provides an analysis of sales activity within a user-defined date range, breaking sales down by transaction type, wire service, wire network, employee, product, occasion, day of week, time of day, and geographical location of customers and recipients. The original version of this report used the sales date to determine which orders were included in the report. Version 2002 provides a new option that allows you to specify whether you want to use the sales date *or the delivery date* when generating this report. When planning your sales staff for a holiday, you might want to examine a wider sales date range, e.g. February 7th through February 14th, to determine when you need more staff to wait on customers. However, you might narrow the search to only orders with delivery dates of February 14th to determine your design and delivery requirements for that particular day.

Within a few weeks FAS will be distributing new payroll programs and tax tables for 2003. As with FAS's Version 2002 upgrades, this software will be provided only to those FAS users who subscribe to FAS's software maintenance program and whose accounts are current.

On-site training

During September, FAS held a 2-day users' conference during which attendees received training on the FAS system and on shop management and marketing. Based on feedback from those who attended, this was certainly one of the best conferences ever. Many of the suggestions made by users at the conference were incorporated into FAS's new Version 2002 software. Some of you expressed a desire to attend the conference but were unable to do so. Since you couldn't come to us, please realize that we will come to you if you would like additional follow-up training for you and your staff. The cost of additional on-site training includes the trainer's time, along with travel expenses. One shop recently got together with several other shops and divided the cost of the training among the group of users. At the recent users' conference, I observed that many users were unfamiliar with some very important basic system functions, although they may have been on the system for years. Shops that make the investment in additional training find that even a couple of days of training can be tremendously beneficial, and the extra benefits they get out of their FAS systems more than justify the cost of the training. If you have an interest in learning more about your FAS system through additional on-site training, please give us a call.

Software sale

Between now and December 31st, FAS is offering special pricing on several of its software options. During this time you can purchase FAS's Checkbook/General Ledger *and either* FAS's Time clock/Payroll system *or* FAS's Accounts Payable system for \$500--half of what you would normally pay. Because of the time involved in loading and configuring this software on a system, and because of the time involved in providing new users with support for this software, this special offer represents a non-refundable sale.

Business Climate

With the economic uncertainty currently being faced by the United States, many retailers--floral and otherwise--are anxiously waiting to see what level of sales activity the holidays will bring. Even the largest of companies has reported less than spectacular sales during the last few months. If you aren't setting any records yourself, don't panic--you aren't alone. Conversations I have had with many florists throughout the country indicate that things have been tough the last couple of months. None of us individually can affect the national economy, but there are things we can do to protect our marketshare within our local markets. As consumers cautiously purchase gifts this holiday, it's more important than ever to have your name visible. FAS's newest Version 2002 software includes numerous new features that help you promote your business, including several programs that allow you to take advantage of low-cost postcards to promote everyday, holiday, and special-occasion sales.

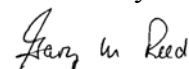
Business cycles, such as the one we are currently experiencing, are normal and should be expected. In fact, the entire country is extremely fortunate that it did not experience an economic slow-down sooner than it did. Businesses and individuals simply have to batten down the hatches, and prepare to wait out the storm. Those who were not prepared to face the storm may have a tough time. The industry is already seeing the results of the current economic storm as many shops close or continue to change ownership. The storm *will* pass however, and those who prepared wisely for the storm will come out all right.

IFA & Florist Direct

More and more florists are enjoying the benefits of Independent Florists' Association (IFA) programs and Florist Direct (FD) orders. During the last month, over 30% of FASnet's order volume was sent FD. When you receive a traditional wire order, you are paid 73% of the gross order amount, usually within 30-45 days. When you receive a FD order, you are paid 80% immediately, using the sending shop's credit card. On a \$50 order, that's \$3.50 (or almost 10%) more for you! If you participate in FAS's support program, you can join FASnet and IFA with no monthly dues. All you would pay are transaction fees on orders processed through FASnet. FASnet also allows you to send orders through FTD, Teleflora, ETFA, and FloralSource International. To learn more about FASnet, visit FAS's Web site at www.fasinc.org, or visit www.myifa.org to learn more about IFA.

Everyone at FAS sincerely appreciates your support during 2002, and we wish you a happy and prosperous holiday season and New Year. Thanks.

Yours truly



Gary M. Reed
President