FAS *Floral Accounting Systems, Inc.*

October 22, 2004

Dear FAS Customer,

FAS has completed the development of a new FTD Mercury™ network interface that will provide you with faster, more reliable service while reducing your Mercury™ expenses. FAS was the first floral POS technology vendor to integrate its POS software with a floral wire order network. When FAS's original Mercury™ interface was developed, there were no other networks available to florists. Since that time, FAS developed its own FASnet network, and about 2 and a half years ago FAS developed an interface to Teleflora's Dove™ network, providing FAS users with functionality and flexibility that is not available through any other leading floral technology.

FAS's original Mercury™ interface consisted of FAS software that communicated with FTD's Mercury 2000™ hardware, i.e. the Mercury Interface Module™ and the proprietary Mercury™ modem supplied by FTD. According to FTD, it has become difficult and expensive for its staff to support this very old hardware. FTD has been forced to recycle refurbished parts in order to support these older devices. FAS's new Mercury™ interface, developed with FTD's cooperation, completely eliminates the need for this old, proprietary hardware. Instead, FAS's new software requires the use of only a modem. This new feature will greatly simplify FTD's own support efforts and reduce FTD's costs associated with supporting the Mercury 2000™.

In addition to eliminating your dependence on old, unreliable proprietary hardware and doubling the speed of your Mercury™ transmissions, FAS's new software contains significant enhancements to the user interface. The original interface had to be designed to comply with the cumbersome commands and keystrokes required for inserting lines, deleting lines, etc., using the Mercury 2000™ hardware. The new software tremendously simplifies menu selections and message editing capabilities. This software also makes the FAS Mercury™ interface available for FAS's Series 920 Linux-based servers which are not compatible with the older Mercury™ hardware.

Several FAS users have reported that FTD recently raised the fees it charges for the Mercury 2000™. Specifically, FTD raised its Mercury 2000™ interface network service fee from $49 to $69 a month, and FTD charges an additional $51.91 in monthly hardware rental and tax. The total fee being charged is $120.91 per month. With FAS's new software, you can return the Mercury 2000™ equipment to FTD and eliminate or reduce these fees.

This software is being provided as a preliminary release of FAS's Version 2005 software. The new feature requires an available "COM" port on your FAS server, a modem provided by FAS, and the software. Please feel free to call FAS's support staff if you need assistance in determining your system requirements. Unlike most releases of FAS's software that are installed by the users themselves, this upgrade requires substantial reconfiguration of your FAS server that must be performed by FAS's support staff. Consequently, it is not possible for FAS to install this software on all users' systems at the same time, and this new product will be shipped and installed on an "as requested" basis. For shops that participate in FAS's comprehensive maintenance program, there is no charge for this software, and the cost of the modem has been reduced from $200 to $150. Shops

that are not on the maintenance program must purchase FAS's Version 2005 software and the modem. The cost of the upgrade for these shops is dependent upon what version of software the shops are currently running. These users must call FAS for pricing. It is possible that some older servers may not be capable of running this new software.
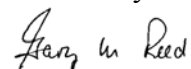
FAS's new Mercury™ interface will not only greatly improve the performance and reliability of Mercury™ for FAS users, but it will also save FAS users collectively tens of thousands of dollars in fees each and every month, and hundreds of thousands of dollars a year now and for many years to come.

FAS's Version 2005 allows you to use a single laser printer as both an invoice printer and a report printer simultaneously. This feature is not available on certain entry-level printers such as the LaserJet 1200 or 1300. However, this software is compatible with H-P's 2000 and 4000 series printers. Samples of FAS's laser card and laser invoices can be viewed at **www.fasinc.org**. FAS's laser forms, available from Moore Wallace, cost significantly less than the continuous forms printed on dot-matrix printers. The laser printers also print much more quickly and more quietly than dot-matrix printers. In my last letter I discussed some of the marketing tools provided by FAS, including the laser-printed Dial-A-Flower card, the various postcard programs, and the availability of laser-printed mail labels. FAS's software allows you to take advantage of laser printers to generate more attractive enclosure cards, invoices, statements, and reports, and to promote your shop.

FAS is planning a general, secondary distribution of its version 2005 software in January. This software will include additional enhancements to other areas of FAS's software. After the January release, FAS will immediately begin development of the next generation of FAS software. We have been researching technology that will allow us to combine the rock-solid stability and power provided by Unix and Linux servers with the functionality of the Windows graphical user interface. These upgrades will involve far more than simply attaching a PC to your FAS server as a terminal, as our customers have done for many years. FAS's goal is to provide an entirely new "look and feel" to users who want a Windows interface within the FAS software, while continuing to maintain and update products on our customers' existing systems. We are confident that our research has produced the means for achieving this goal. In fact, users will be able to integrate this technology within a single server. For example, the Wyse terminals currently attached to your FAS server will continue to operate in the manner they do today, but a Windows-based PC attached to your server will be able to be used as either a text terminal or as a Windows terminal. The new software will allow users with PCs to enter data and operate other FAS features with the point-and-click of a mouse. Browses and queries will be easily customized by the user when the graphical interface feature is turned on. It is unquestionable that Unix and Linux servers are far more reliable and secure than Windows servers, yet it is undeniable that many florists want a Windows interface. I am confident that FAS's approach will effectively combine the best of both worlds.

If you have any questions about the issues discussed above, please call FAS at (800) 830-6160. We look forward to hearing from you soon. Thanks.

Yours truly

Gary M. Reed
President