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DST Output Delivers Proven Returned Mail Processing

Automated solution can reduce returned mail volumes by a third; achieves costs savings

EL DORADO HILLS, Calif., May 2, 2011 –Major mailers can now reduce undeliverable mail volumes and related print and postage costs, and stay better connected to their customers, thanks to a new Returned Mail Processing service through DST Output and its affiliate DST Mailing Services.

Since its launch last year, the Returned Mail Processing solution has demonstrated success in multiple markets. In one instance, a large mailer that formerly received more than 20,000 pieces of undeliverable mail per day (caused by incomplete or old addresses) has realized a 31 percent reduction in returned mail and a 70 percent reduction in addressing errors since implementing the automated solution. Within six months of handing its returned mail processing over to DST Output, the mailer also was able to cut in half its number of full-postage mailpieces and achieve a savings by reducing the numbers of required dunning notices and adverse action letters.

DST Output's proven Returned Mail Processing provides overall management of the manual issues involved with undeliverable mail, and also takes advantage of Full-Service Intelligent Mail® barcode technology. This enables clients to track how many pieces were undelivered and whose mail was returned by directly linking to account number, name, address and production details, which is valuable information that goes beyond what is available with manual processing.

With more insight about their undelivered mail, DST Output clients gain understanding and the ability to drive down returned mail numbers – and costs – even further. Some clients are now

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working on solutions to improve the way they communicate with their customers, which they couldn't do without the knowledge that results from this solution.

Each year approximately 1.4 billion pieces of First-Class Mail[®] do not reach their postal destination and are returned to the sender, according to mailing industry research. In addition, about 94 percent of undeliverable mail caused by the mailer is due to incomplete or old addresses, and 40 percent of all database errors are caused by data entry mistakes. In response to these figures and in an effort to curtail its own costs, the U.S. Postal Service[®] is requiring mailers to be more proactive in maintaining address quality and providing Move Updates – or risk losing related postage discounts.

“Our objective in developing Returned Mail Processing was to provide clients with an integrated, turnkey solution for improved address quality and therefore reduced costs on return mail,” said Mury Salls, senior vice president of DST Mailing Services. “We replaced a manually intensive process with a sophisticated, automated solution that gives clients insight into their mail to more fully understand why mail is being returned – and what needs to be done to remedy that – and we are already seeing great success with it.”

More specifically, Returned Mail Processing integrates with DST Output's comprehensive address quality services to resolve many address errors, provide regular reports and weekly transmission of electronic address-update files, and improve mail deliverability. The end-to-end solution also includes secure destruction of the physical mail pieces.

“Mailers need to minimize postage costs and gain every discount possible, so a key focus is on address quality,” Salls said. “Our clients using Returned Mail Processing tell us that in addition to cost and delivery improvements, they recognize the value in capturing account information and data. With timely, accurate information they can set priorities and strategize on ways to improve mail deliverability and customer satisfaction.”

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About DST Output and DST Mailing Services

DST Output, LLC provides integrated print and electronic statement and billing output solutions to many of the country's largest financial services, communications, insurance, healthcare, and utilities companies. **DST Mailing Services, Inc.** handles postage procurement, compliance, presort and international mail activities, and manages DST Output's relationship with the U.S. Postal Service® on behalf of its clients. DST Mailing Services, Inc. is an affiliate of DST Output, LLC. Last year, DST Output and its affiliates produced more than 3 billion customer communications, delivered throughout the United States, Canada and the United Kingdom via postal service, express delivery and electronically. We are one of the largest First-Class™ mailers in the United States.

For more information, visit www.dstoutput.com/about_us/ or <http://dstoutput.com/product/returned-mail>.