









MAGYAR POSTA INTERNATIONAL

INTRODUCTION

As part of Magyar Posta (Hungarian Post), the universal postal provider in Hungary, we offer a wide range of international postal solutions worldwide. We provide international postal services and value added logistic solutions through digital and physical networks to our customers – senders and receivers, business and private customers – using our allied partners' networks as well as our own. With the popular Direct Entry line of products, our partners can have direct access to the Hungarian national delivery network via Magyar Posta International at domestic prices!

DIRECT ENTRY OVERVIEW

Direct Entry is an innovative way to handle international mailings, where each item is customized according to the local market it's being sent to. The service provides:

- Local PPI (Postage Printed Impression) for every individual country
- Mail piece design to fit within local mailing regulations
- Local mailing address for responses
- "Best rate" postage charges based on negotiated rates

Direct Entry services offer simple and cost-effective means of giving international companies a local presence by creating mailings that look and feel local.

Hungarian local customers will respond more positively to this type of mailing because:

- They feel that your customer is active in their country
- They feel that local companies can provide better levels of customer service
- They feel that your customer will be more responsive to them
- They feel that your customer is taking their local needs seriously







You benefit from the control and the convenience of the centralized international mailing distribution as well as the positive market perception generated by 'localizing" the mail piece.

Each mailing is assessed in terms of:

- Format of mail pieces
- Weight of mail pieces
- Speed of delivery
- Target markets for mailing

The following products take advantage of these convenient Direct Entry characteristics:

DIRECT ENTRY MAIL

Traditional domestic mail (standard mail, postcards) is a familiar item to us all, one that still retains its classical value, and now you can take advantage of our domestic mailing services from abroad. Even in a digital world, many people look forward to receiving their daily mail, and sort through it immediately the day it's delivered. Through its multifaceted usage and continuous innovations domestic mail offers excellent solutions at affordable prices in countless situations. Traditional mail is the best solution to communicate important news, events, confidential information or private messages to the people you wish to address.

And if you'd like to greet friends, family or business acquaintances on special occasions, remember to send them a personal greeting card or postcard!

- TRADITIONAL VALUES!
- AFFORDABLE PRICES!
- PERFECT FOR PERSONAL GREETINGS



DIRECT ENTRY DM GENERAL

Direct marketing is a cost-effective and personal medium for reaching the targeted addressees.

- It enables companies to keep in touch with customers and receive direct responses.
- It involves the management of customer relationships.
- Through these good relations, customers are likely to stay loyal to the company.
- Direct marketing gives a company the opportunity to send high-quality, effective marketing messages at the right time to clearly defined target groups.

We can help you with the acquisition of new customers, from target group selection to the implementation of your direct marketing campaign in your target market. Our solutions include both addressed and unaddressed direct mail deliveries in Hungary under the service terms applicable to the sending country in question.

DIRECT ENTRY BULK DM, K-DM

For anyone who wishes to make their products known to a wider audience, our discount direct mail (Direct Entry K-DM) service is the best solution, as addressed Direct Mail is a powerful medium that can reach people nationwide. This product allows for lower prices when sending advertising mail, as Magyar Posta has a large market presence in the sector, with a substantial amount of our delivered addressed mail being DM letters. The savings can be put to use for follow-up or new DM campaigns, purchasing addressee data, or producing eye-catching DM letters.

In addition to nationwide exposure, direct mail offers various other benefits. Mass advertising (TV, print, radio, etc.) can be expensive and it isn't always an option for small businesses, but direct mail is targeted, and it can focus on a smaller group of prospects who are more likely to respond to products on offer, since they can be addressed by customer name. Speaking to them individually makes it easy to appeal to their interests, and when customers feel that their needs are catered to, they're more likely to respond.









Flexibility is also an important staple of the product. From letters to postcards to brochures, a wide variety of inexpensive and easy formats are available for your direct mail campaign. Special offers or free samples can increase its impact further. Along with an engaging message, it's easy to make an unforgettable impression by incorporating elements that actively involve customers, like stickers, samples, and coupons.

The most important factor of advertising is its effectiveness, which can be hard to measure precisely. Direct mail is one of the few media channels that give you the ability to track the success of your campaign by the numbers: just count the inquiries received or the number of coupons redeemed. By tracking and analyzing the results, it'll be clear what's working, so adjustments can be made to future mailings if needed.

- LOWER PRICES!
- NATIONWIDE EXPOSURE!
- TARGETED ADVERTISMENT!
- EASY TO TRACK CAMPAIGN RESULTS!

DIRECT ENTRY UNADDRESSED MAIL

To promote products in Hungarian towns close to the border, use our unaddressed advertising mail service! It's an easy way to reach more than 4.000.000 households, and it's ideal for increasing awareness of your business, generating leads for your sales team, distributing sales catalogues or product samples, and testing an offer in one area before rolling out to a wider audience. Unaddressed Mail can be used to send envelopes, postcards, catalogues, flyers, brochures, physical samples, magazines, cards and coupons. With the ability to specify actual streets, the service allows companies to bring advertisements as close as possible to prospective clients!

Our main partners for the product are marketing firms, commercial businesses, magazine publishers, music publishers, food chains, hyper-markets, event planners, political-social services and non-profit organizations. National and local campaigns are both supported, and we will deliver smaller quantities of material as well (1.000 items minimum).



Our highly developed delivery network covers the whole country, and since our delivery women and men know the residents of their respective areas personally, it's possible to draw on their expertise for mailing segmentation (for example: families with children, families with pets, etc.). We guarantee the quality of our service, so our contracts include frequent, random checks.

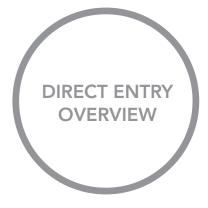
- REACH OVER 4.000.000 HOUSEHOLDS!
- TARGETED ADVERTISMENTS UP TO STREET LEVEL!
- SMALLER QUANTITIES ACCEPTED!
- SEGMENTATION BASED ON DELIVERY STAFF EXPERIENCE!
- FREQUENT CHECKS INSURE QUALITY DISTRIBUTION!

DIRECT ENTRY PERIODICAL

No boarder can limit our cross-border periodical direct entry service. Subscribers from anywhere in Hungary who are eager to get the magazine of their choice turn to us for their needs, be it weekly or monthly publications ranging from newspapers to specialist magazines.

With more than 50 years of experience, our expertise in distributing publications is unparalleled in Hungary, backed by the reliable and stable financial background of Magyar Posta and we continue to grow and develop our services according to the needs of the market. Domestically, we handle 700 publications of more than 400 publishers, bringing their wares to any place in Hungary, since our cross-country delivery network includes smaller towns, villages and settlements as well as major metropolitan areas.

- CONTINUOUSLY DEVELOPING AND STABLE SERVICE!
- CROSS-COUNTRY DELIVERY NETWORK!
- DOMESTICALLY 700 PUBLICATIONS FROM MORE THAN 400 PUBLISHERS!







DIRECT PARCEL SERVICE

Direct Parcel Service is a practical and economical solution of Magyar Posta/Hungarian Post.

By using our parcel services we provide personalization in Hungary and the delivery of your items. We also collect the amount of cash on delivery and transfer the collected amount on request.

We provide information on the items all along Hungary by using our tracking service.

HTTP://POSTA.HU/TRACKING

DIRECT PARCEL SERVICE CATEGORIES:

- Direct Parcel
- Direct Parcel Business
- Direct Parcel Return

DIRECT PARCEL

Direct Parcel Service is delivered in Hungary from its first entry point in Hungarian OE (NPKK) to addressee as MPL Postal Parcel, which is a domestic registered mail item containing an article or goods either with or without any commercial value in which information relating to the purpose, function or use of the contents or about the bill containing text, pictures, diagrams, as well as communication, information and data addressed solely to the addressee may be placed.





DIRECT PARCEL CATEGORIES

MOST IMPORTANT PARAMETERS:

The service is VAT exempt. Minimum size of the front: 120 mm x 175 mm; the postal parcel's longest dimension: 2,000 mm; its three dimensions (length + width + height) together may not exceed 3,000 and maximum weight at most 20 kg/parcel.

The service fee consists of the basic fee and the fees of the additional services requested.

The service includes the postal sealing additional service for no special charge.

For a special fee: insurance up to HUF 2,000,000, advice of delivery, cumbersome, fragile.

Delivery time according to the Postal Act: at least 85% of parcels posted must be delivered or attempted to be delivered by the end of the second working day after the date of posting and at least 95% by the end of the third working day after the date of posting.

Retention time: 5 working days; for "poste restante" 10 working days.

DIRECT PARCEL - BUSINESS

Direct Parcel - Business Service is delivered in Hungary from its first entry point in Hungarian OE (NPKK) to addressee as MPL Business Parcel, the service can be used with a time guarantee of 1 or 2 working days.

MOST IMPORTANT PARAMETERS:

The service is subject to 27% VAT. Minimum size of the front: 120 mm x 175 mm; the postal parcel's longest dimension: 2,000 mm; its three dimensions (length + width + height) together may not exceed 3,000 and maximum weight at most 40 kg/parcel delivered to the door (excl. to a postal service outlet up to 30 kg/item or to a Postal Point: up to 20 kg/item.)

Value added services

The service fee consists of the basic fee and the fees of the additional services requested.

The service includes the following additional and supplementary services for no special charge:

- Time guarantee: 1 or 2 working days,
- insurance up to HUF 50,000,
- e-notification,
- e-projection,
- postal sealing,
- second delivery attempt,
- delivery agreed by phone,
- retention time options.

If a written contract is concluded for the service, in addition to the above, the following additional and supplementary services are included for no special charge: consignment delivery, reporting system, pallet handling.

Other additional and supplementary services available for a special fee:

- insurance from HUF 50,001 to 2,000,000,
- payment for goods up to HUF 2,000,000,
- advice of delivery,
- delivery to addressee in person,
- fragile,
- cumbersome,
- afternoon delivery,
- Saturday delivery,
- repeated delivery,
- subsequent instruction by the sender.









DIRECT PARCEL – RETURN

Magyar Posta/Hungarian Post offers his contractual customers a Return Solution for Direct Parcel. The contracting party may post items weighing up to 30kg to the contracting party free of charge. Return Direct Parcels collected by Hungarian Post are forwarded to the contracting party at fixed intervals defined in the contract.

The contracting party may produce the address label required for using the service or make it available on its own website. Return parcels may also be posted using a manually completed address label available at postal service outlets designated for parcel dispatch.

Other additional and supplementary services available for a special fee:

- insurance,
- cumbersome,
- fragile.



ELECTRONIC POST CENTRE

THE PRESENTATION OF THE ELECTRONIC POST CENTRE

The service offered by the Electronic Post Centre of Magyar Posta (hereinafter: EPC) is a combination of electronic communication and classic letter forwarding, which is a complex service from the production of letters to their delivery. Since the foundation of EPC in 1997, as a result of its dynamic development, it has become one of the determining players of the letter mail production market of 12 billion, and presently, with its 14% market share, it has the 3rd position.

The primary services of EPC include letter mail production based on data files. In the frames of this service, EPC uses an electronic solution to organise and execute the total postal process of letter mail items instead of the customers, in the case of invoice letters, account balances, cash transfer orders, official statements, notices, reminders and DM letters. In addition to the documents, the customers may insert annexes, leaflets, reply cards or personalized cash transfer orders in the envelopes, and this is solved by manual or automated insertion during production. The printing technology allows for simultaneous printing on both sides, and optimally reduces the setting times between different subsequent productions, owing to the use of the uniform white roll material. This way it is not necessary to change the paper rolls between various mass orders, but it can be used for cut page printing, too, for orders of lower volumes. The faster operation ensures higher capacity, as a result of which the delivery deadlines have become shorter in EPC.

The special product of the plant is the 'creative letter', which means a DM letter produced with special technology, based on digital data. The cover or the packaging of the letter is not an envelope, but a cover of special form folded from an A4 paper, and most of its surface is suitable for printing, so it adds a special outlook to the DM letter.

The name of the 'transpromo' product originates from the combination of the words transaction and promotion. The name implies that because of the high production and posting costs of letters, transaction letters are combined with various promotion elements.

The 'packaging' is a technology primarily suitable for the production of unique packaging materials or packaging materials to be produced in small quantities. The technology allows for the production of unique boxes, printing pictures of photo quality on them, or lacquering or cutting.

In addition to the base products, the range of services includes the printing of cheques, advice of delivery forms, the production of business cards, the printing of invitation cards, postcards, greeting cards, calendars, posters, card calendars, labels for the food industry, entrance tickets, cinema tickets, coupons, vouchers, and the display of various safety and individual elements (micro writing, writing for the blind) and surface lacquering.

The work processes take place in EPC's presently more than 1500 m2 plant located at 1089 Budapest, Orczy tér 1, which operates as a completely closed unit with card entry and digital security systems with 70 cameras. The camera system monitors both personnel entry and exit as well as the processing work taking place in the entire plant (per printer and per enveloping machine). The technology used in the EPC is built on high-capacity printer systems with colour rolls and cut pages, and on enveloping systems. The reliable operation of the high-capacity machines is guaranteed by the plant's air-conditioning system. The characteristic and also continuous climatic values include temperatures between 22-24 °C and a relative humidity of 50-65%.

THE PRESENTATION OF THE MANUFACTURING TECHNOLOGY AND THE MACHINE BACKGROUND

Magyar Posta has the authorisations and the technical and machinery background required for the mass serial production of invoice and notice letters, the production of cash transfer orders, the enveloping of completed forms, the attaching of annexes to letters, and their sorting and expediting.

The machine and technology background allows for the use of envelopes with different logos, if the Customer









ELECTRONIC POST CENTRE identifies and marks the affected customers in the printing batch, and assigns different materials to them in the control file.

When documents of multiple pages are enveloped, owing to the nature of automated enveloping, the sheets are cut from the roll one after the other, and then they are folded and inserted into the envelope.

The ISO 27001 information security system ensures the continuous logging of events happening during production, the retrieval of events, the collection of statistical data and the logging of the accesses to data. No unauthorised person can access the data, it is only authorised persons appointed for the given work that have access to the data in each phase of the production.

Each participant of the production process receives the work within this system, so the persons performing the tasks are identified. The data is stored for one year. Each work process and event is stored - logged - in the system according to the security regulations.

In addition to the general data of the work, the composition (sheets put into the same envelope) and the identification data (cheque sequence number, letter ID number) of the mails are loaded into the database. With the help of the barcode positioned in the envelope window, during enveloping, direct immediate information is available about each prepared envelope. The enveloping data of letters is kept for 3 months.

At the end of the IT processing, if the customer requires so, the received files and the produced printing file are loaded to our data receiving server. There, they can be accessed for three months, and then they are deleted

Major printing equipments are:

- Powerful roll printer
- Powerful colour roll printer
- Enveloping machines

THE PRESENTATION OF THE AUDITED PRODUCTION SYSTEM



The technological process used in the course of production (the entire data input, printing and enveloping, destruction of reject copies, returning/destroying the database used for printing) represents a closed system from the aspect of data protection.

Certifications:

- On the basis of certification number 18766-2007-AQ-BUD-UKAS the Tenderer's quality control system complies with the requirements of the ISO 9001:2000 standard. Affected scope of activity: production of letters from data files, enveloping and preparations at post office, data processing.
- On the basis of certification number 51004-2007-AIS-BUD-UKAS the Tenderer's information security control system complies with the requirements of the ISO/IEC 27001:2005 standard, which, as far as we know, only we are in possession of among the companies performing the same activities as us. Affected scope of activity: production of mail items from data files, enveloping and postal preparation, data processing in harmony with the current version of the Declaration of Suitability.
- The Tenderer complies with standard MSZ EN ISO 14001:2005 that contains the requirements against environment-centred systems.
- On the basis of the decision of the undersecretary for defence economy of the Ministry of Defence (Reg. No 720/131/2002) it also complies with the conditions of a "NATO Approved Supplier". (ISO certificates attached to the offer).









