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NEWS ANNOUNCEMENT

For Immediate Release

FORMSTORMTM TAXPROCESSING ELIMINATES EXPENSIVE CUSTOMIZATION AND SPEEDS UP PROCESSING TAX FORMS

Boston, MA – **August 17, 2012.** CharacTellTM, a leading provider of advanced and innovative optical character recognition (OCR) products, today announced the availability of FormStormTM TaxProcessing, a form processing package especially designed to overcome cumbersome problem involved with processing tax and other regulatory forms.

FormStorm TaxProcessing automatically OCRs tax and other governmental reporting forms and extracts data they contain. The technological breakthrough offered in this new package means that virtually no adjustments are needed of users to accommodate the great multiplicity of form variations they routinely encounter.

Technology and Benefits

FormStorm TaxProcessing addresses key problems by virtually fully automating the process.

Two of the greatest operating challenges faced by authorities using form processing solutions are that the forms they receive originate from multiple sources and are different enough so that traditional systems based on rigid form templates cannot be applied without extensive customization. Moreover, these form variations are only known as the forms begin to arrive for processing during the current season, requiring expensive crush efforts to address the problem. The result: time and cost invested in creating templates.

Secondly, as forms often change from one season to the next, additional preparations are needed to create a new set of templates for the new forms that incorporate those changes.

FormStorm TaxProcessing applies CharacTell's new FleksTemplatesTM technology, so all that users have to do is to define their desired dataset per form, and FormStorm does the rest regardless of their multiple variations. If changes are required from one tax year to the next, users can create next year's templates virtually automatically from the set of templates that exists for the current year.



"What CharacTell's technology is effectively doing is creating a new type of a form template – an *unstructured template*," said Paz Kahana, CharacTell's CEO and President. "Just like we have done with our invoice processing solution where we combined non-template and non-template approaches into one seamless process that offers the two most important benefits of each, no need to set up or customize templates as well as higher speed and accuracy, the unstructured template approach eliminates the need of tax processing solutions providers to spend weeks or months preparing unique templates for form variations, and repeat the effort each year as the forms change. This higher degree of automation greatly reduces the cost of both acquisition and ownership of tax processing systems while continuing to offer the advantages of automation," he explained.

Pricing and Availability

FormStorm TaxProcessing is available at the starting price of \$39,950 without any built-in page limitations or per page click charge of any kind. Expansion stations for Capture, OCR, and Data Verifications are available for very high volume processing requirements.

Free, no-obligation FormStorm TaxProcessing evaluation software is available from CharacTell.

Company Information

CharacTell Ltd has been providing innovative Advanced Character RecognitionTM (ACRTM) solutions since 1998. Unique to all CharacTell products is the packaging of technologies that have been considered complex (document reading, OCR, etc.) in simple to use products.

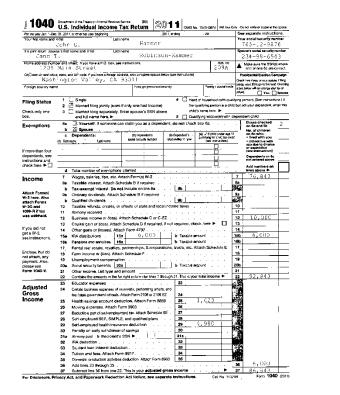
CharacTell markets FormStorm™ Enterprise, FormStorm™ Invoices, and FormStorm™ Classify, powerful and easy to use systems to extract OCR, ICR, OMR, and Bar-coded data from forms and invoices, and classify documents based on content. CharacTell solutions are implemented worldwide with recognized names such as Time-Warner, Shell Oil, Vodafone, Audi, Victoria Police (Australia), Carvajal (Columbia), State of New York, Walbusch, Brinks, Israel Discount Bank, LandAmerica, Bank Hapoalim, Bank Leumi, and many others in government, data services, finance & banking, health care, education, etc.

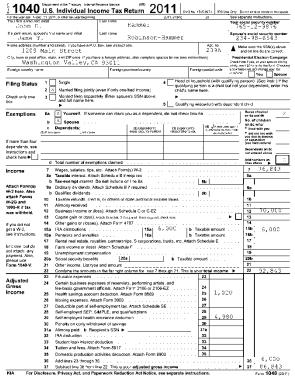
For more information, visit the CharacTell website at: www.charactell.com.

FormStorm TM , CharacTell TM , FleksTemplates TM , the CharacTell logo, Advanced Character Recognition TM , ACR TM , and the FormStorm logo, are trademarks of CharacTell Ltd.(c) 1998–2011.



Tax Forms Variations Processed Automatically by FormStorm TaxProcessing





Different variations of form IRS form 1040 for 2011

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Different editions of IRS form SS-4 (years 2006 and 2007)

