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NEWS ANNOUNCEMENT
For Immediate Release

CHARACTELL LTD. ANNOUNCES FORMSTORM™ ENTERPRISE - FORM PROCESSING SOFTWARE THAT CUTS THE COST OF DATA ENTRY

Boston, MA – August 18, 2003 - CharacTell™ Ltd., a leading provider of advanced and innovative optical character recognition products, today announced FormStorm™ Enterprise, a new application software product that is designed for robustness and full functionality, while featuring great ease of use, form processing and automated data entry from forms.

"CharacTell's strength has always been its Advanced Character Recognition (ACR) technology," said IMERGE Consulting's Arthur Gingrande, one of the most well known OCR/ICR industry experts. *"CharacTell has built an easily learned, user-friendly application using ACR as its foundation, and the results are impressive. FormStorm Enterprise has all the features required for high quality forms processing – at a very reasonable price."*

FormStorm Enterprise is an integrated, scalable, and powerful form processing system. It can be installed on one computer, or networked practically without limitation. Its functionality includes: easy and quick application set-up, TWAIN scanning support, image enhancement, advanced automated form ID, OCR (3-way voting), ICR (2-way voting), optical mark reading (OMR), bar-code reading (BCR), patch-code reading (PCR), rules-based validation, and built-in US city-state-zip automated verification. ASCII output is in XML or CSV formats, both convenient for easy integration with existing databases.

FormStorm Enterprise is the only form processing software that allows users to create and train their own custom recognition classifiers using a very small sample set. This allows significant increase in recognition accuracy in cases of unique or very difficult characters, fonts, or unsupported languages.

With the goal of intuitive approach and ease of use in mind, FormStorm Enterprise utilizes easy to navigate tabs that correspond to the major steps in the process of automated, image-based, form processing: application set-up, input (scanning or file input) and batch quality control, unattended processing, and manual data verification and completion. System administration is easy, yet robust as users may be assigned privileges based on needs and tasks. Administrators may monitor system performance with a complete set of tools at all times. Complete statistics and performance summary reported can easily be generated using a number of criteria of interest such as by jobs, forms, users, totals, etc. for any period. On-line, context sensitive help is available through the system. (A sample of FormStorm Enterprise screens is enclosed below.)

FormStorm Enterprise also features an API that allows users to include events and tie them into form fields, write and apply scripts, modify the GUI and create custom function keys, and use FormStorm as a "back box" server by making calls from their own systems and applications. This makes FormStorm a natural input module or form processing addition to any document or knowledge management system.

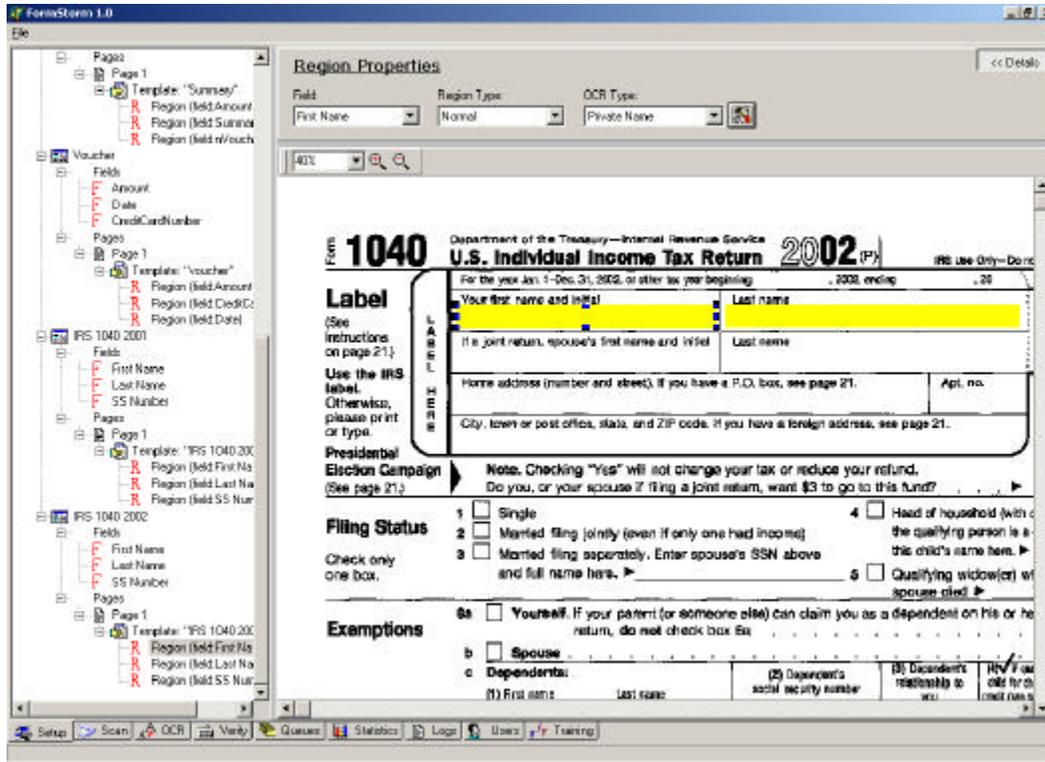## Availability and Pricing

FormStorm Enterprise is available immediately. Free, fully functional, 30-day, evaluation software may be downloaded from: www.charactell.com.

The basic system price is $4,450, and includes all system functionality. Additional scanning, processing, and data verification stations (beyond the one of each that are included in the base system package) that are priced at: $1,125, $2,925, and $1,125, respectively, can be added without limitation. There is no total volume, or throughput restriction regardless of system configuration.
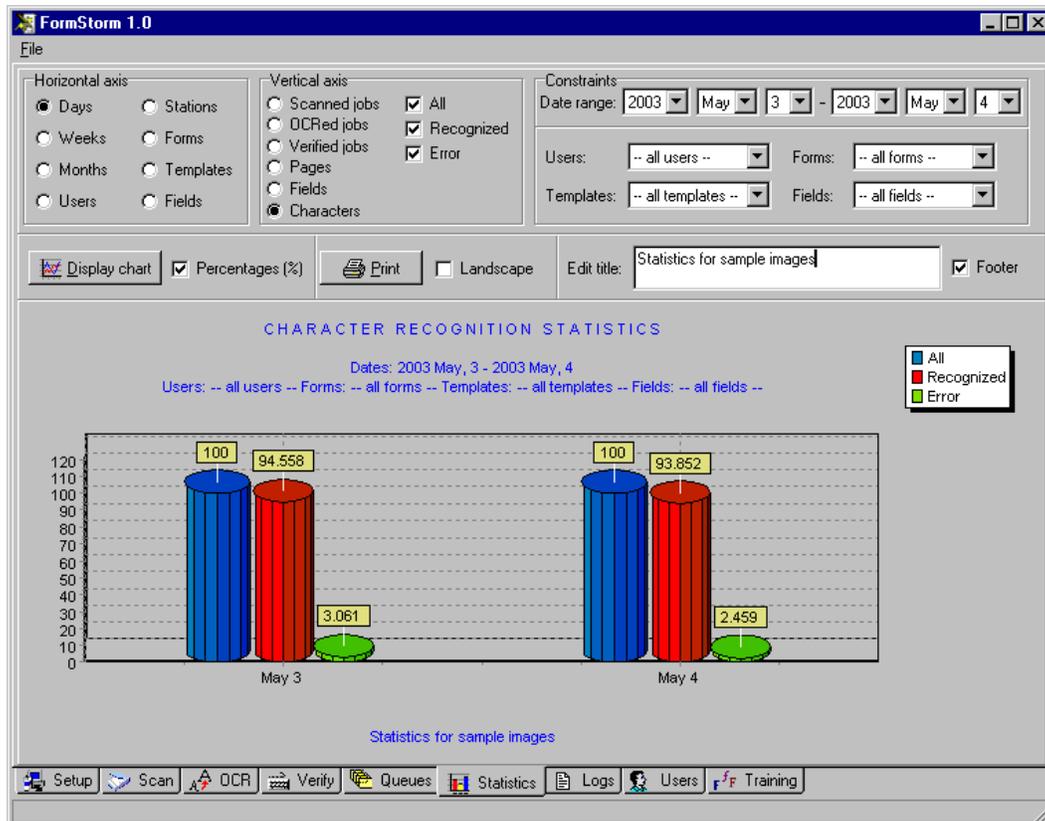
Company Information

CharacTell Ltd was founded in 1998 with the express mission of developing the world's most accurate recognition engines. The company has developed Advanced Character Recognition (ACR) as the strategic technology platform on which it bases its progressive product line. ACR-based products from CharacTell are in extensive use in demanding data entry applications and systems worldwide. CharacTell also markets SoftWriting™, an end-user application products dedicated to the conversion of unstructured documents containing non-connected, hand-written notes to editable form, and iREAD Forms™, a flexible library of OCR, ICR, OMR and other recognition tasks. For more information, contact CharacTell Ltd. at (617) 965-1014 or +972-3-648-9484, or visit the CharacTell Ltd. web site at www.charactell.com.

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FormStorm Enterprise application set-up tab

FormStorm Enterprise statistics generation tab