



COUPONS · INC

Our goal is to achieve 100% retailer acceptance of our coupons. We work closely with the retail industry to educate them regarding secure print-at-home coupons. It's a large playing field, but we continue to make progress. Recently, we achieved a major success at Wal-Mart.

As a result of our conversations, they have updated www.walmartfacts.com with their coupon policy — <http://walmartstores.com/7655.aspx> — which confirms acceptance of Internet coupons. Wal-Mart also encourages customers to call 1-800-WALMART if there are any questions about coupon acceptance.

Finally, providing Wal-Mart with a list of our active coupons has proven to be very successful. All coupon-related calls from their Store Hotline are forwarded to the owner of this list, and they have been effectively able to verify the validity of any coupons in question. Certainly, securing Wal-Mart's participation will have a positive impact on the industry.

This is the type of dialog we're developing with the retail trade. There are very few retailers that have specific policies against print-at-home coupons. The primary challenge is getting all store managers on board. Most retail chains give their individual managers the autonomy to determine whether or not they'll accept our coupons. While the vast majority of retailers accept our coupons, the few that don't create minor problems for our clients and their customers. Here's a list of the grocery retailers that have specific policies regarding acceptance of our coupons:

Grocery

A&P Food Emporium: 80 stores
Reasors: 13 stores
Food Town: 54 stores
King Cullen: 48 stores
Shopper Food: 60 stores
Giant Eagle: 221 stores
Stater Brothers: 163 stores

Total Stores: 639

As you can see, only 2.5% of the grocery trade does not accept our coupons. That said, our goal is 100% and, rest assured, we won't stop until we achieve our goal.

June 1, 2009