



2009 Second Quarter Conference Call

August 4, 2009

Safe Harbor for Forward Looking Statements

Various remarks that we may make about future expectations, plans and prospects for the company constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors, including those discussed in our Form 10-K for the year ended December 31, 2008 and subsequent Forms 10-Q on file with the SEC. Coinstar, Inc. assumes no obligation and does not intend to update these forward-looking statements.

GAAP and Non-GAAP Reconciliation

During this presentation, references to financial measures will include references to both GAAP and non-GAAP financial measures. A reconciliation between GAAP and non-GAAP financial measures is available in the press release announcing second quarter financial results that is posted in the “About Us – Investor Relations” section of Coinstar’s website at www.coinstar.com.

Automated retail is expanding and Coinstar's core businesses provide a strong platform for future growth in this category

Automated retail is an attractive and expanding category

- Retailer demand
- Consumer adoption
- Opportunities for innovation



Coinstar's core competencies position it for success in automated retail

- Strong consumer and retailer relationships
- Proven success at scaling kiosks
- Management of automated retail infrastructure



Coinstar's core businesses are a solid foundation to build upon



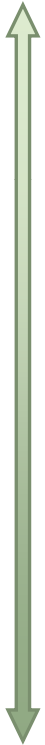
Coinstar is well positioned as a market leader in the growing category of automated retail



Retailer demand is expected to increase as they look to enhance their businesses and attract and retain valuable consumers

Key Drivers of Retailer Demand

REVENUE
DRIVERS



**Improve
Consumer
Experience**

**Seek to be
Innovation
Leaders**

**Utilize Turnkey
Solutions**

Reduce Shrink

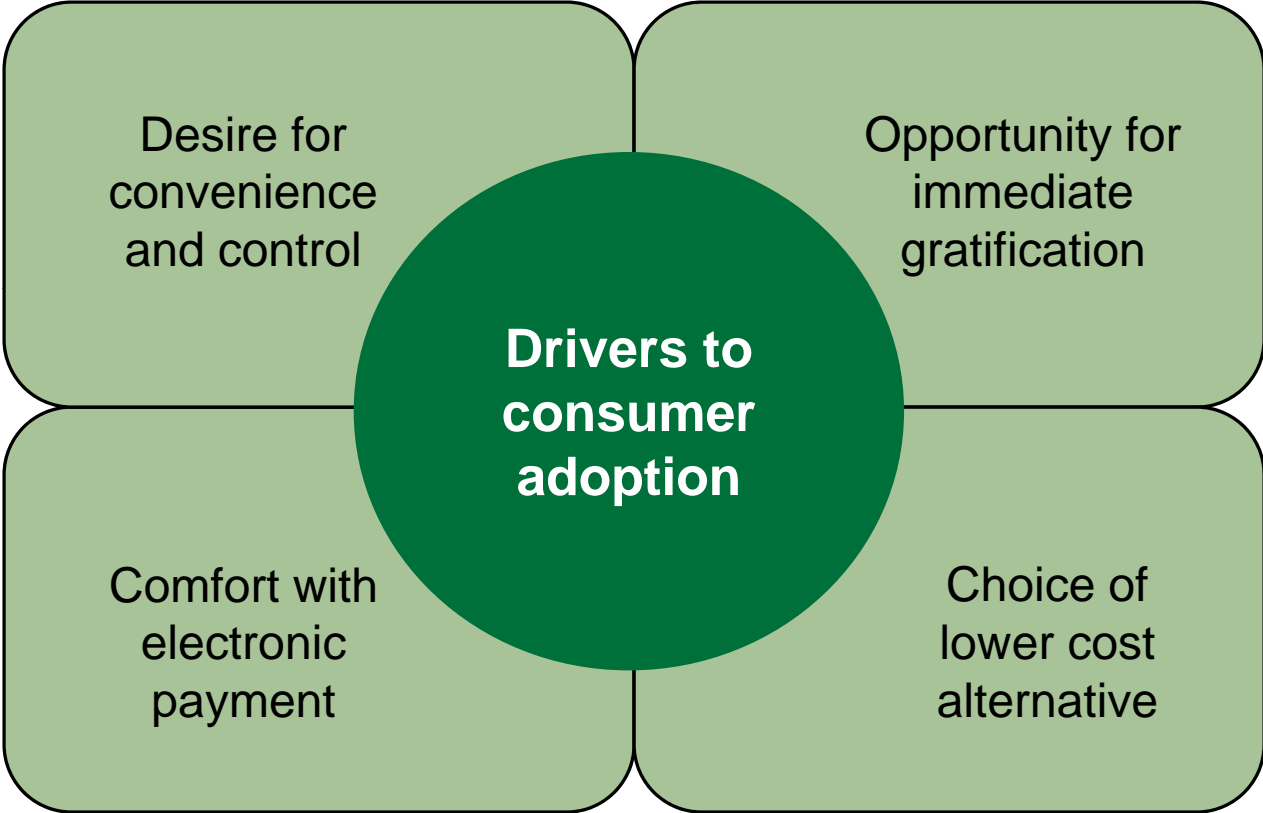
**Reduce Store
Labor**

COST
DRIVERS

Automated Retail Solutions

- Provide consumers with a more satisfying experience via increased access and control
- Promote consumer perception of retailer as cutting edge
- Offer automated complementary products and services
- Limit the amount of “shrink” for product categories notoriously vulnerable to theft
- Achieve more efficient use of headcount as labor costs increase

Consumer Adoption: 97% of consumers are willing to use self-service



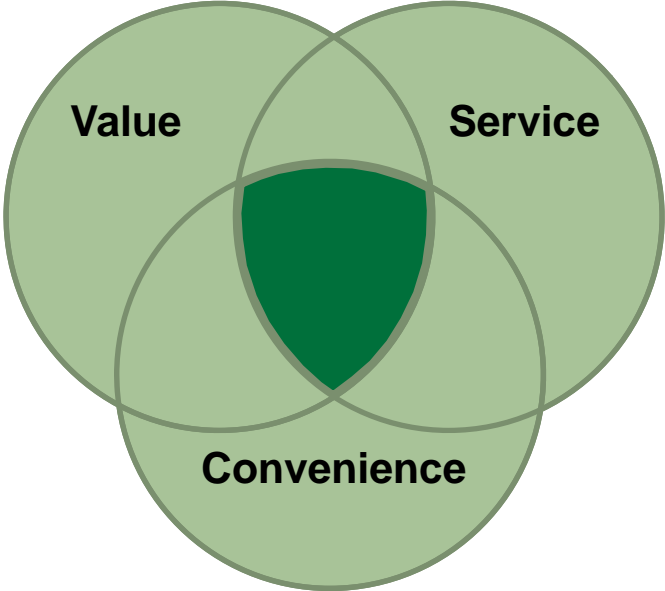
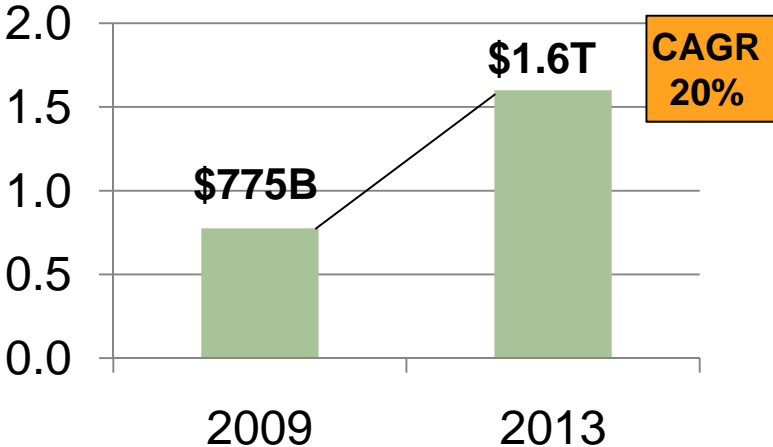
Source: NCR survey, Coinstar consumer insights.

Opportunities for innovation: The increased comfort level with automated retail is expanding the market opportunity

Penetration of self-service is forecast to grow 20% from 2009 to 2013 ...

... driven by innovation focused on more efficiently addressing consumer needs

Self-Service Transactions (Projected)



North American Self-Service transactions source: IHL Group report.

Coinstar's core competencies provide a platform for profitable growth in the automated retail category

Strong consumer relationships

- Recognizable and meaningful brands
- Strong perception of convenience, simplicity and value

Strong retailer relationships

- Established long-term contracts with retail partners
- Partners with largest retailers in grocery, mass, c-store, QSR and drug channels

Proven success at scaling kiosk businesses

- Deployment of one Redbox kiosk nearly every hour in 2009
- Manufacturer relationships with best-in-class, sizeable firms

Ability to manage automated retail infrastructure

- Highly sophisticated internal systems
- Remote resolution of 70 – 80% of kiosk issues

Redbox provides consumers with quick and easy access to affordable entertainment giving them what they want when they want it

Low simple price:

- \$1.00 / day
- No late fees
- No membership fees

Convenient locations:

- Walmart, supermarkets, drug stores, McDonald's, c-stores

Fast rental:

- Process takes less than 1 minute

Rent and return at any kiosk – a huge consumer benefit

Online Rentals – rent online, pick up at your convenience

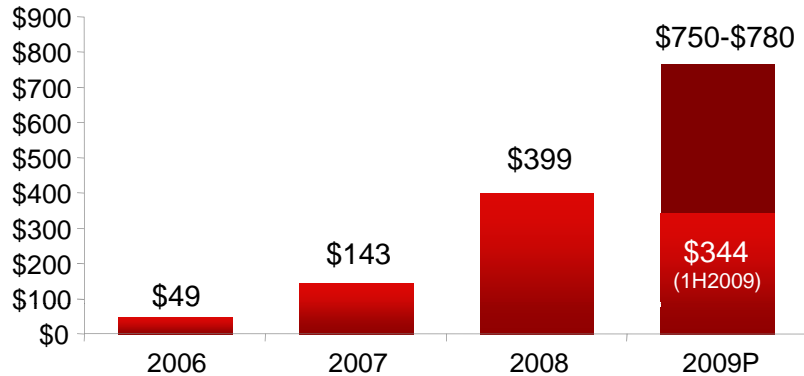


Only the titles consumers want

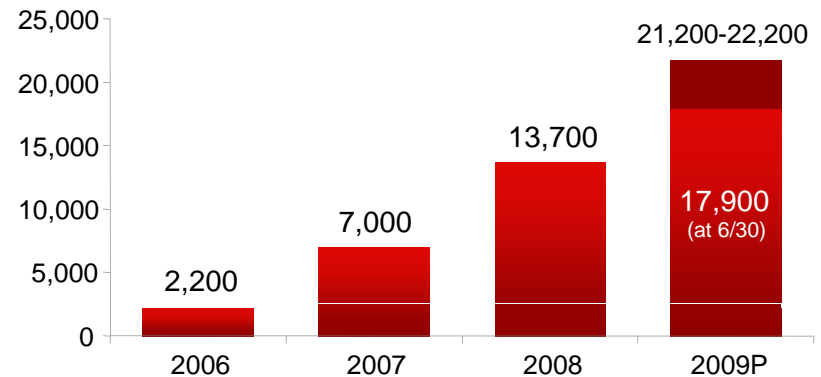
- Each kiosk has 500+ DVDs across 200+ titles
- New releases every Tuesday

DVD continues to drive significant revenue and segment operating income as we grow in size and market share

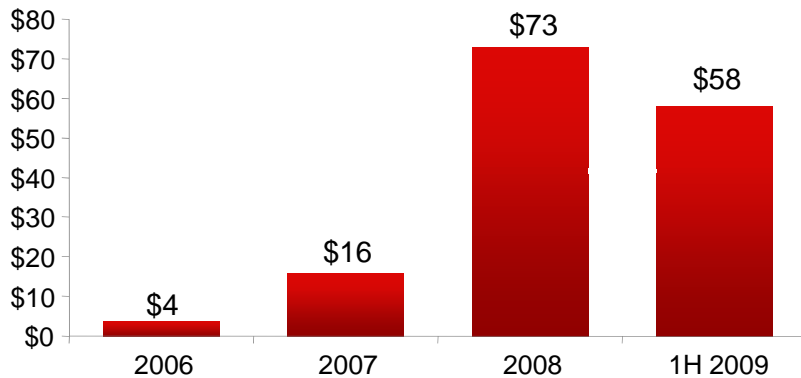
Annual Revenue ⁽¹⁾ (Millions)



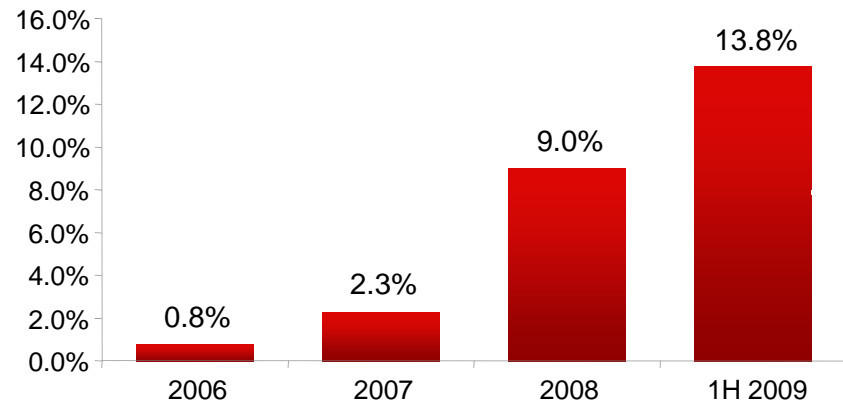
Kiosks



Annual Segment Operating Income ^{(1), (2)} (Millions)



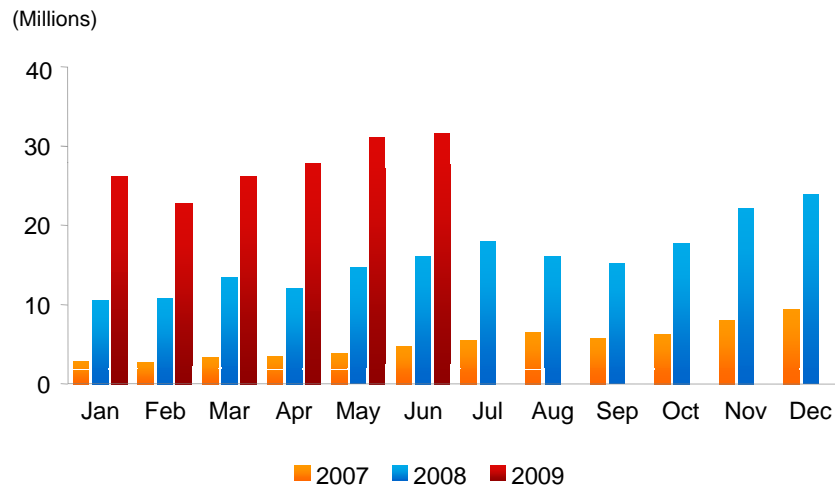
Video Rental Market Share ⁽³⁾ (Units)



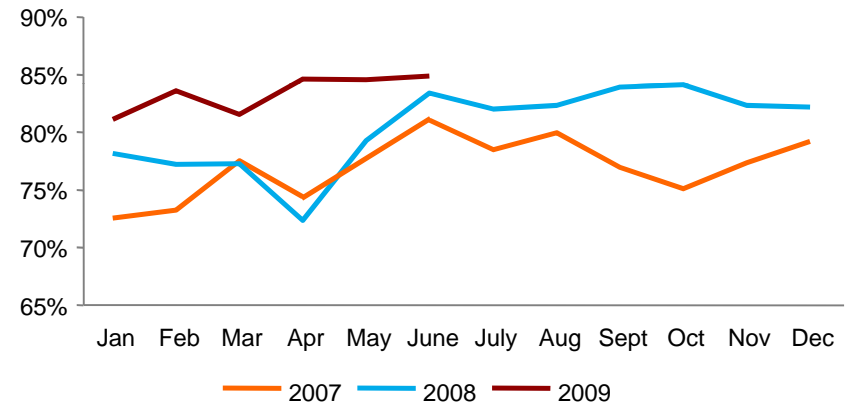
- (1) Pro forma for years prior to 2008 to reflect as if Redbox and DVDXPRESS were wholly owned. This provides an apples to apples comparison reflecting only organic growth.
 (2) Segment operating income is defined as segment income before depreciation, amortization and stock compensation expense, representing management's estimate and is an approximation only.
 (3) Market share is for Redbox only and is a company estimate.

Strong growth driven by increasingly loyal consumers

DVD Rentals continue to grow dramatically...



...while consumers increasingly promote the Redbox brand Net Promoter Score



Note: Net Promoter Score is a metric gauging a company's performance based upon one question: "How likely is it that you would recommend this company to a friend or colleague?" (source: www.theultimatequestion.com)

Coinstar offers a quick and simple process that provides consumers their money when they want it and where they need it

The hassle free way to turn coins into cash, since 1992

600 coins counted per minute – saves time and a trip to the bank

Recycling 50B coins per year saves environmental damage from new coin production

Free when you change coins into a gift card or e-certificate

Patented network makes our service turnkey – machines call out for efficient pickup or service

Consumers have a choice:

- Cash voucher
- Donate to charity
- Load or reload a gift card

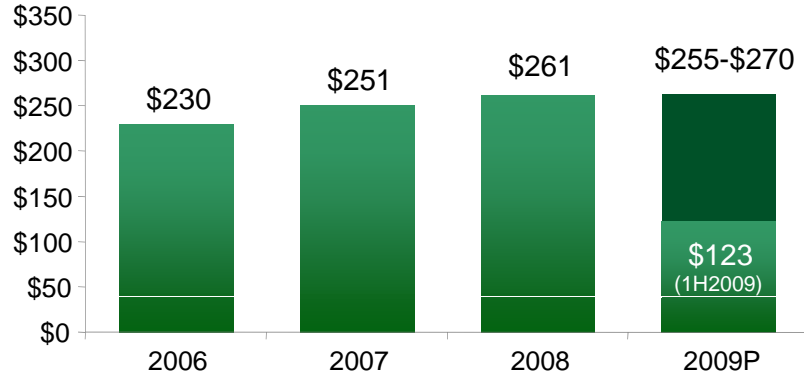


Convenient locations

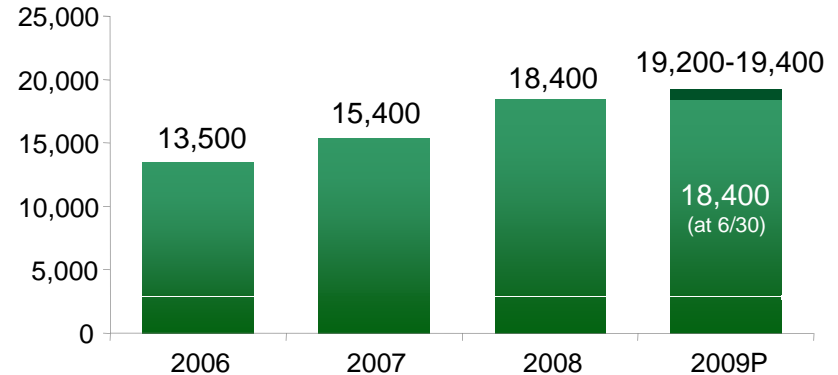
- Supermarkets, mass merchandisers, drug stores
- US, UK, Ireland, Canada, Puerto Rico

Coin continues to generate consistent and steady revenue growth

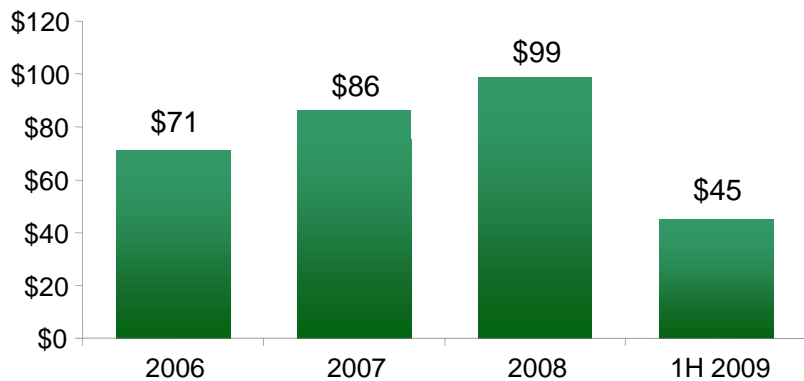
Annual Revenue (Millions)



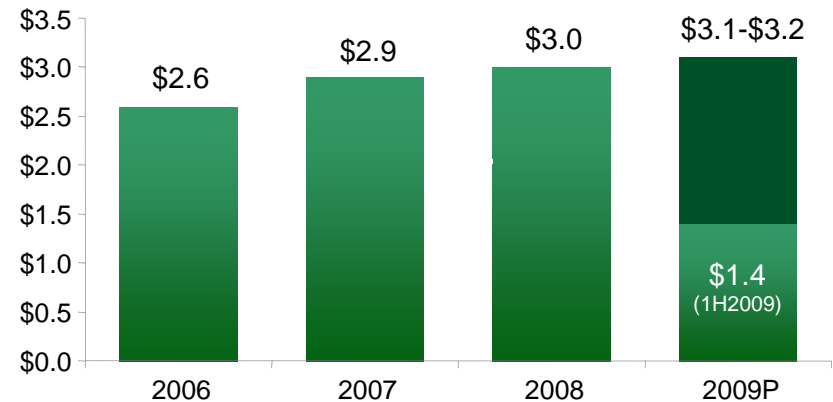
Kiosks



Annual Segment Operating Income ⁽¹⁾ (Millions)



Volume Processed (Billions)

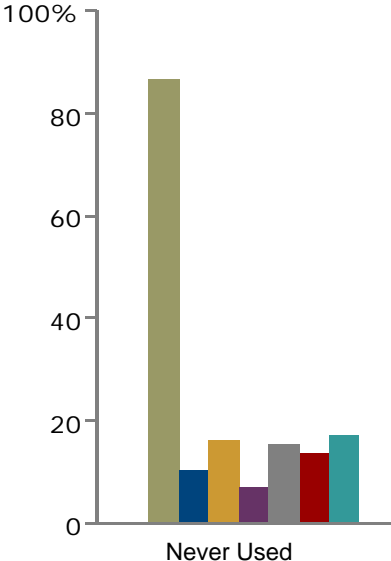
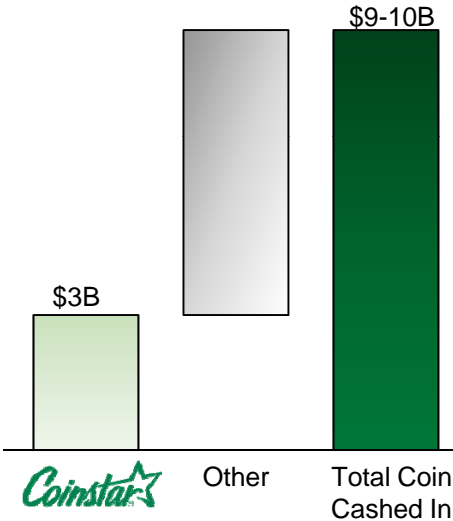


(1) Segment operating income is defined as segment income before depreciation, amortization and stock compensation expense, representing management's estimate and is an approximation only.

As consumer awareness of fee-free options increases, the opportunity for growth in Coin is significant

We currently process \$3B of the \$9-10B total coin cashed in⁽¹⁾ by consumers...

... and our biggest hurdle in closing this gap is **fee resistance**⁽²⁾



- I don't want to pay a fee
- Haven't accumulated enough coins
- Prefer bank even for a fee
- Don't know how to use machines
- No Coinstar machines where I shop
- C2C not on my grocer's CSTR machine
- I like rolling my own coins

(1) According to US Treasury, there is about \$36B coin in circulation and approximately \$9 – 10B in coin that is cashed in by consumers each year.
 (2) Coinstar survey by Bain & Company (2009, sample: 1,502).



Our core businesses – DVD and Coin – have significant opportunities to generate future growth

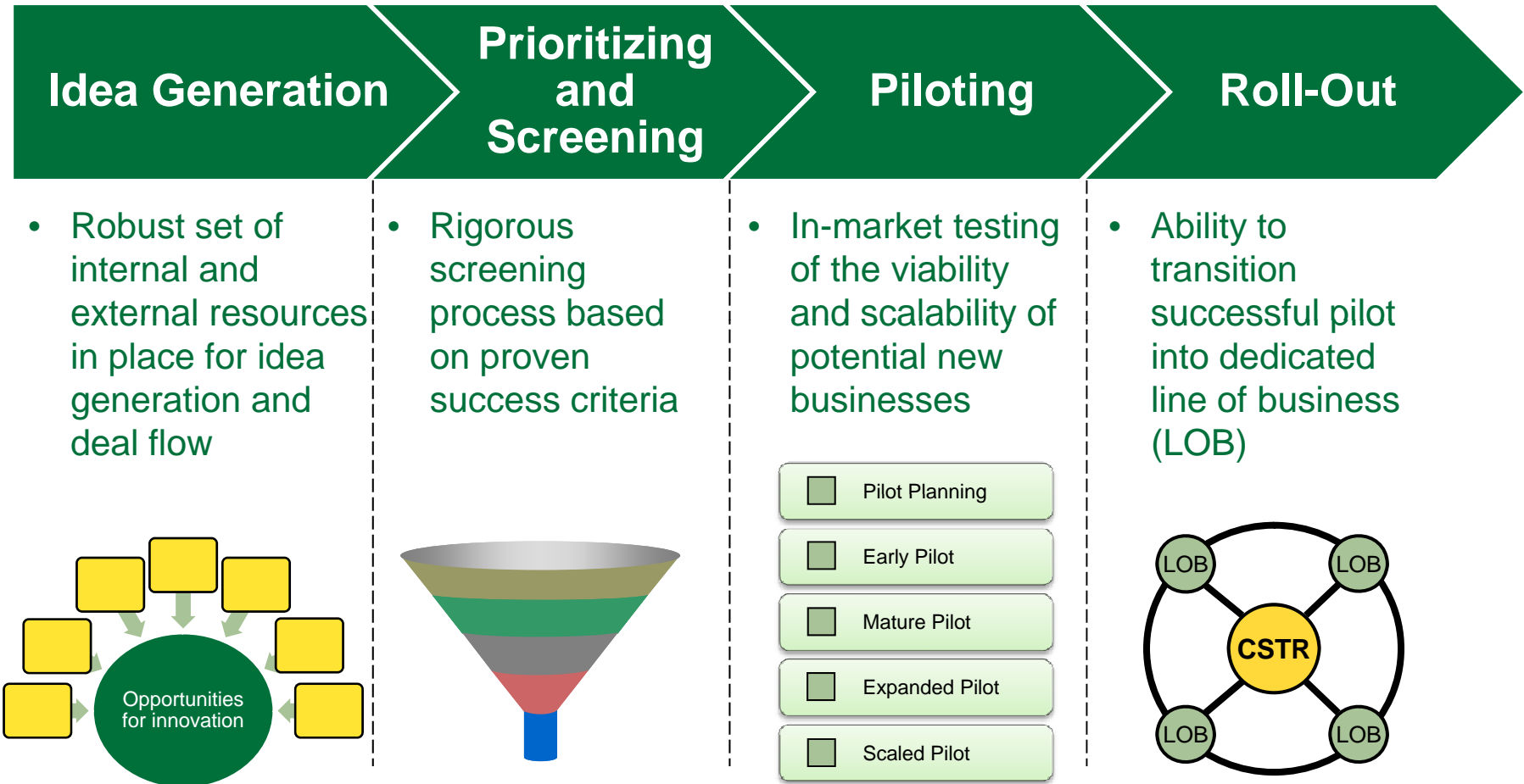


- Foster collaborative relationships with studios
- Test alternative price points
- Continued expansion
- Extend current product offering



- Increase consumer awareness of coin conversion options, particularly fee-free
- Expand fee-free options
- Redeploy underperforming kiosks to higher value locations

Thinking beyond the business today, we have established a thoughtful and rigorous process for growth and innovation



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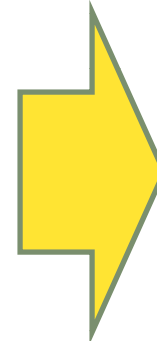
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