

September 2008

Dear Investors:

Coinstar today announced Dave Cole's retirement planned for March of 2009 and my appointment as Coinstar's next CEO in April of next year. I'm very excited about the growth opportunities that exist for Coinstar and leading this top tier organization into the future.

Under Dave's leadership, Coinstar has created an incredible platform for the company's products and services –we call it our 4th Wall™ program. It's allowed us to diversify our product line and bring added value to retailers at a time when they're looking for partnerships that deliver a distinct competitive edge.

Today, as Coinstar's chief operating officer, I see first-hand the strength of the 4th Wall bundle. I am firmly committed to this strategy and am confident that Coinstar's position of single source provider for the front of the store will continue to be a strong competitive advantage.

I look forward to working with the exceptional management team and dedicated staff at Coinstar to take the company to its next growth phase. We will remain true to our company values and will continue to focus on delivering value to our retail customers, consumers and shareholders.

I wish Dave all the best in his well-deserved retirement and look forward to 2009 with enthusiasm.

Sincerely,

Paul Davis
Chief Operating Officer
Coinstar, Inc.