

Coinstar Inc

CSTR
NASDAQ

A Strongly Outperform
Data as of 04/06/2012

SCHWAB EQUITY RATING

A Strongly Outperform
Percentile Ranking: **5** Data as of 04/06/2012

Last weeks rating: Data as of 03/30/2012
A Strongly Outperform
Percentile Ranking: 5

A 1-5	Strongly Outperform	BUY
B 6-30	Outperform	
C 31-70	Marketperform	
D 71-95	Underperform	
F 96-100	Strongly Underperform	

For details about using Schwab Equity Ratings, please see the Schwab Center for Financial Research report "Managing a Portfolio Using Schwab Equity Ratings" in the Stocks article library under Market Insight.

See page 4 for further documentation on Schwab Equity Ratings, **Important Disclosures**, and **Regulation Analyst Certification**.

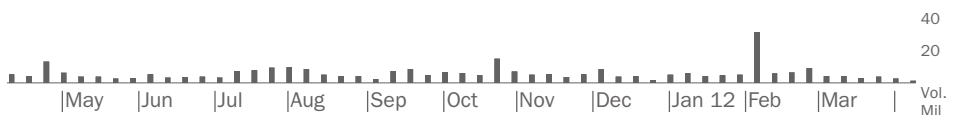
RATIONALE BEHIND OUR **A** RATING ON CSTR

For details about inputs to Schwab Equity Rating, see "Schwab Equity Ratings Foundations" in the "Stocks" article library under Market Insight.

	THIS WEEK	LAST WEEK	IMPORTANCE
B FUNDAMENTAL GRADE			
Cash Flow Strength	Positive	Positive	Medium
Capital Intensity	Neutral	Neutral	Medium
Efficient Management of Working Capital	Positive	Positive	Low
C VALUATION GRADE			
Price Driven Valuation	Neutral	Neutral	High
Valuation Sentiment	Neutral	Neutral	Medium
A MOMENTUM GRADE			
Recent Price Performance vs. the Market	Positive	Positive	Low
Recent Brokerage Analyst Sentiment Change	Positive	Positive	Low
Earnings Trend Surprise	Positive	Positive	Low
C RISK GRADE			
Business Geographic Diversification	Neutral	Neutral	Low
Institutional Sentiment	Neutral	Neutral	Low

PRICE & VOLUME HISTORY

CSTR Daily Close Prices Data source: Reuters



BUSINESS SUMMARY

Source: S&P

Coinstar, Inc., through its subsidiaries, provides automated retail solutions primarily in the United States, Canada, Puerto Rico, Ireland, and the United Kingdom.

For more details, see page 2.

OVERVIEW

Source: S&P

Price as of 4/9/12 **\$62.68**
Market Capitalization **1.9 Billion**
Asset Class **Small Cap**
Beta **0.89**

SECTOR/INDUSTRY

Source: S&P

Schwab Industry Rating **C**
Sector **Consumer Discretionary**
Industry **Diversified Consumer Services**
Sub-Industry **Specialized Consumer Svcs**
Schwab Sector Viewpoint **Marketperform**

METRICS

Source: Reuters

VALUE METRICS	CSTR	S&P 500
P/E last 4Q	17.3	15.2
P/E forecast EPS	15.3	-
P/Free Cash Flow last 4Q	8.2	12.5
P/Sales last 4Q	1.05	1.31
Price/Book	3.6	11.6
Dividend Yield(%)	-	2.0
GROWTH METRICS (%)		
1 year sales growth	28.5	10.4
3 year sales growth	41.6	7.1
1 year EPS growth	78.4	11.3
3 year EPS growth	48.6	15.5
1-year forecast EPS growth	13.7	-
3-5 year EPS growth forecast	17.4	-
1 year dividend growth	-	4.6
3 year dividend growth	-	4.6
MOMENTUM METRICS (%)		
4 week stock price change	1.8	8
26 week stock price change	31.0	15.7
FINANCIAL METRICS (%)		
Gross margin	30.5	38.9
Net margin	6.2	8.6
Return on assets	8.4	4.4
Return on equity	23.6	14.7
Return on invested capital	14.0	13.9
Long-term debt/capital	.43	.35

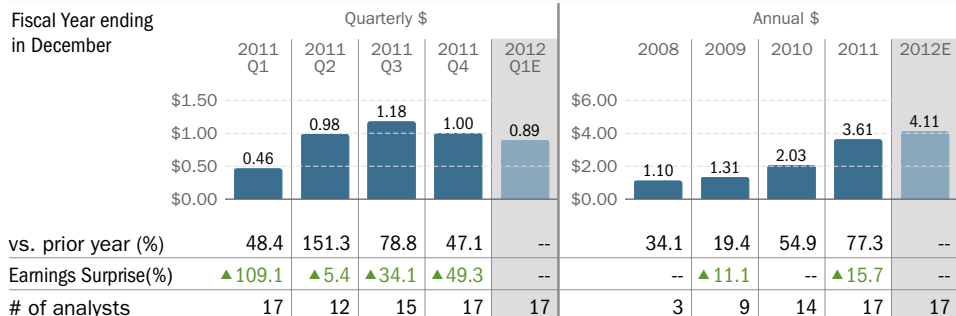
Coinstar Inc

CSTR
NASDAQ

A **Strongly Outperform**
Data as of 04/06/2012

EARNINGS PER SHARE

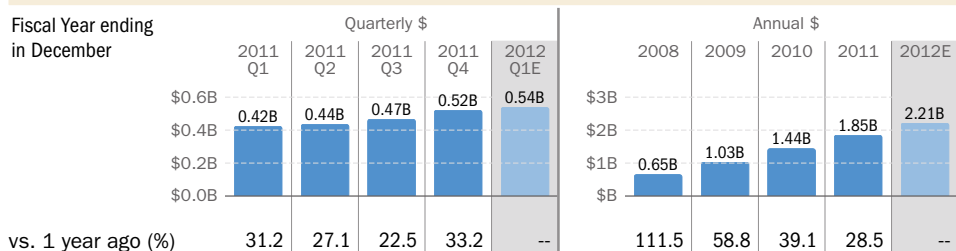
Earnings data source: Reuters



Next earnings announcement is expected in the week of 4/26

REVENUE

Revenue data source: Reuters



ANNUAL EARNINGS FORECAST

Source: Reuters

	MEAN FORECAST	CONSENSUS CHANGE IN LAST 30 DAYS	FORECAST RANGE	NUMBER OF FORECASTS
12/31/2012	\$4.09	-\$0.02	\$3.78-\$4.46	16
12/31/2013	\$4.57	-\$0.02	\$3.54-\$5.50	14
Next 5 Yr. Growth Rate	17.7%	-0.3%	15.0%-20.0%	8

DIVIDENDS

Dividends data source: Reuters

This company does not pay a dividend.

SCHWAB SECTOR STOCK LIST

Price as of: 4/9/2012

TICKER	COMPANY	PRICE	SCHWAB EQUITY RATING	GICS INDUSTRY
CTB	Cooper Tire & Rubber	\$14.86	A	Tires & Rubber
FL	Foot Locker	31.22	A	Apparel Retail
IPG	Interpublic Grp Cos	10.77	A	Advertising
MOV	Movado Group	25.37	A	Apparel, Accessories & Luxury Goods
MGAM	Multimedia Games Holding Co	11.03	A	Casinos & Gaming

OTHER OPINIONS

S&P's Recommendation

RATING NOT AVAILABLE

Credit Suisse Rating

RATING SINCE 06/12/2008

RATING NOT AVAILABLE

Argus 12 Month Rating

RATING NOT AVAILABLE

Ned Davis Rating

RATING SINCE 04/09/2012

SELL

NEUTRAL

BUY

Market Edge Second Opinion®

RATING SINCE 01/23/2012

AVOID

NEUTRAL

LONG

Reuters Average Rating

RATING SINCE 04/06/2012

NO OPINION

SELL

UNDER-PERFORM

HOLD

OUT-PERFORM

BUY

BUSINESS DESCRIPTION

Source: Reuters

Coinstar, Inc. (Coinstar) is a provider of automated retail solutions, which offers convenient products and services. The Company's offerings in automated retail include its Redbox business, where consumers can rent or purchase movies and video games from self-service kiosks (Redbox segment), and its Coin business, where consumers can convert their coin to cash or stored value products at self-service coin counting kiosks (Coin segment). Its New Ventures business (New Ventures segment) is focused on identifying, evaluating, building, and developing self-service concepts in the marketplace. On June 9, 2011, the Company completed the sale transaction of the Money Transfer Business to Sigue Corporation (Sigue).

Coinstar Inc

NEWS HEADLINES



1 02/07/12 CSTR post \$1.00 vs. \$0.35 Q4 EPS on 33% revenue rise. Capital IQ consensus forecast was \$0.64. Sees Q1 core EPS of \$0.76-\$0.91, \$3.80-\$4.30 for '12. Separately, CSTR's Redbox Automated Retail unit to purchase assets of NCR CORP.'s entertainment line of business. CSTR and NCR also will enter into a strategic supplier arrangement where CSTR will purchase product and services from NCR. Redbox will pay up to \$100M for the assets.

02/07/12 09:53 am ET ... COINSTAR, INC. (CSTR 59.62) UP 9.06, COINSTAR (CSTR) POSTS Q4, PLANS TO BUY ASSETS FROM NCR (NCR). WEDBUSH UPS EST.... Analyst Michael Pachter tells salesforce CSTR's \$1.00 Q4 EPS on \$520M rev. beat his \$0.67 EPS, \$510M rev. ests, with EPS upside driven by strong DVD releases, low price elasticity from price increase, Blu-ray content, video games. Notes Redbox also was a key driver of the Q4 EPS beat. Views co.'s planned purchase of assets of NCR's DVD kiosk division as positive. Notes deal is set to close in Q3, includes ~10,000 kiosks, certain retail contracts, DVD inventory. Raises \$4.20 '12 EPS est. to \$4.40, maintains \$5.50 '13 est. Also maintains outperform, \$72 target. B.Egli

2 01/31/12 CSTR says on 1/25/12, Gregg Kaplan, President and COO, informed co. that he is taking a temporary leave of absence due to a family member illness. Mr. Kaplan expects to return to co. in April '12. On 1/30/12, CSTR's Board named J. Scott Di Valerio, co.'s CFO, as Interim President of CSTR's wholly owned subsidiary, Redbox Automated Retail, and Paul D. Davis, CSTR's CEO, assumed duties and responsibilities of President and COO until Mr. Kaplan returns.

01/31/12 Coinstar, Inc. announced that on January 25, 2012, Gregg A. Kaplan, President and Chief Operating Officer the company, informed it that he is taking a temporary leave of absence due to a family member illness. Mr. Kaplan expects to return to the company in April 2012. Paul D. Davis, the company's Chief Executive Officer, assumed the duties and responsibilities of President and Chief Operating Officer of the company, until Mr. Kaplan returns.

3 01/10/12 Coinstar, Inc. announced that they will report Q4, 2011 results at 8:00 PM, GMT Standard Time on Feb 06, 2012

4 01/06/12 DOWN 1.86 to 41.51... Morgan Keegan downgrades CSTR to market perform from outperform. CSTR unavailable. ...

01/06/12 10:59 am ET ... COINSTAR, INC. (CSTR 41.88) DOWN 1.49, MORGAN KEEGAN DOWNGRADES COINSTAR (CSTR) TO MARKET PERFORM FROM OUTPERFORM... Analyst Justin Patterson tells salesforce downgrades CSTR as he fears: 1) 2012 estimates are unduly high amid Durbin and DVD window uncertainty, and 2) shares will remain under pressure until the co. provides further evidence of a life beyond DVD. Cuts his \$3.75/\$4.18 '12/'13 EPS ests to \$3.49 and \$3.30. With Redbox growth likely to slow from double digit same-store-sales and structural gross margins of the business unclear, believes 2012 could prove to be a peak earnings year until New Ventures turn profitable. Has \$42 target. S.Trombino

Coinstar Inc

IMPORTANT DISCLOSURES FOR CSTR

Regulation Analyst Certification: The views expressed in this research report accurately reflect Schwab's quantitative research model, and no part of Schwab's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views disclosed in the research report.

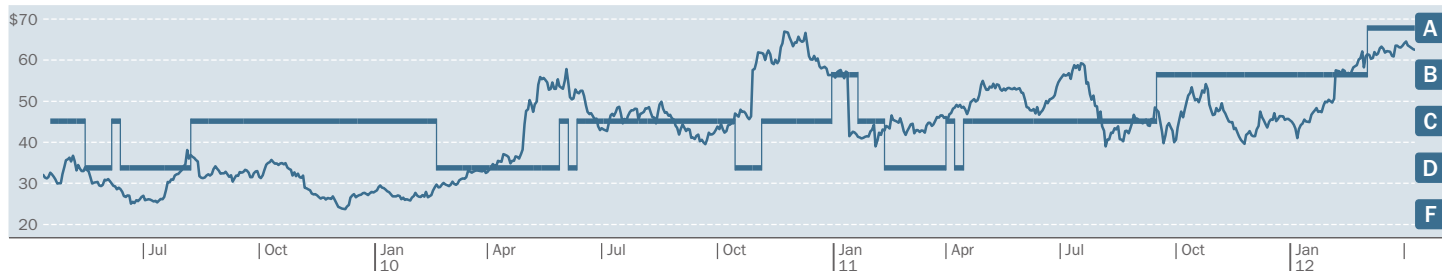
Note the Price Chart in the disclosures of this report which shows the rating and price history over applicable periods for this stock, including if and when coverage was terminated or suspended.

Within the previous 12 months, the percentage of companies that have a Schwab Equity Rating and for which Schwab has provided investment banking services are as follows:

- Less than 1% in Buy Category (Schwab Equity Ratings and Schwab Equity Ratings International of A or B)
- Less than 1% in Hold Category (Schwab Equity Ratings and Schwab Equity Ratings International of C)
- Less than 1% in Sell Category (Schwab Equity Ratings and Schwab Equity Ratings International of D or F)

Price History for CSTR

Schwab Equity Rating History for CSTR



SCHWAB EQUITY RATINGS MEANING AND DISTRIBUTION

Schwab Equity Ratings are assigned to approximately 3000 of the largest (by market capitalization) stocks of issuers headquartered or incorporated in the U.S. or in certain foreign nations where companies typically incorporate or locate for tax or operational reasons. The explanation and table below are included to assist you in using Schwab Equity Ratings as one component of your own research to evaluate stocks and investment opportunities.

Schwab rates stocks using a scale of A/B/C/D/F. Schwab's outlook is that "A" rated stocks, on average, will strongly outperform and "F" rated stocks, on average, will strongly underperform the equities market over the next 12 months. Schwab Equity Ratings are based upon a disciplined, systematic approach that evaluates each stock on the basis of a wide variety of investment criteria from four broad categories: Fundamentals, Valuation, Momentum, and Risk. This approach attempts to gauge investor expectations since stock prices tend to move in the same direction as changes in investor expectations. Stocks with low and potentially improving investor expectations tend to receive the best Schwab Equity Ratings ("A" or "B" ratings), while stocks with high and potentially falling investor expectations tend to receive the worst Schwab Equity Ratings ("D" or "F" ratings). From time to time, Schwab may update the Schwab Equity Ratings methodology.

Schwab Equity Ratings Distribution

Schwab Equity Rating	Percentile Ranking Distribution	Distribution of Rating Within Sector	12 Month Return Outlook	General Buy/Hold/Sell Guidance*
A	1 - 5	Top 5%	Strongly Outperform	Buy
B	6 - 30	Next 25%	Outperform	Buy
C	31 - 70	Next 40%	Marketperform	Hold
D	71 - 95	Next 25%	Underperform	Sell
F	96 - 100	Bottom 5%	Strongly Underperform	Sell

*The general buy/hold/sell guidance is relative to other rated equities only. Before considering whether to take any action, an investor should consider whether equities generally are performing well in comparison to other asset classes and whether other equities in the same sector or category with the same or better rating may be more appropriate.

Investment Rating Explanation

A (Strongly Outperform): If an investor is looking to add a stock to his or her portfolio, "A" rated stocks may be the best candidates for consideration.

B (Outperform): An investor looking to add a stock to his or her portfolio might also consider a "B" rated stock, though preference should be given to "A" rated stocks.

C (Marketperform): An investor would not usually consider a "C" rated stock for purchase. An investor that has a "C" rated stock in his or her portfolio should consider continuing to hold the stock, and might monitor the stock's ongoing performance and compare the potential benefits of owning a stock with higher ratings.

D (Underperform): An investor holding a "D" rated stock should consider whether it is appropriate to continue to hold that stock in his or her portfolio. An investor would not usually consider a "D" rated stock for purchase.

F (Strongly Underperform): An investor holding an "F" rated stock should consider whether it is appropriate to eliminate that stock from his or her portfolio. An investor would not usually consider an "F" rated stock for purchase.

Percentile Rankings Explanation: Each of the approximately 3000 stocks rated in the Schwab Equity Ratings universe is given a score that is derived from several research factors. The assignment of a final Schwab Equity Rating depends on how well a given stock scores on each of the factors and then on how that stock's average factor score compares to the average factor scores of other stocks in the same sector. The result is a stock's within-sector, or "sector-neutral," percentile ranking. The lowest percentile rankings represent the best scores and correspond to the best letter grades. For example, in a sector with 400 stocks, the top 20 stocks (5 percent) would receive a percentile ranking of 1 and the bottom 20 stocks would receive a percentile ranking of 100. Furthermore, stocks ranked in percentile groups 1-5 within a sector are rated "A" and those in percentile groups 6-30 are rated "B." The Schwab Equity Ratings distribution table above illustrates the percentile rankings and approximate Schwab Equity Ratings distributions.

Descriptions for Non-Rated Stocks

Category	Definition	Description
NR	Not Rated	Schwab has decided not to publish a rating on this stock due to unusual or extraordinary business circumstances related to this company. Although Schwab generally does not monitor C, D, and F rated stocks for unusual or extraordinary business circumstances, from time to time, a rating of NR may appear on a particular stock.
NA	Not Available	A Schwab Equity Rating is not available on this stock due to insufficient information about this stock.
NC	Not Covered	This stock is not currently in the Schwab Equity Rating universe or is prohibited from coverage for regulatory or other reasons.

Coinstar Inc

IMPORTANT DISCLOSURES FOR CSTR

Modifiers

Category	Definition	Description
----------	------------	-------------

*	Check News	Check current news because a potentially significant event has been announced for an A or B rated stock.
---	------------	--

Although Schwab generally does not monitor C, D, and F rated stocks for current news, from time to time, asterisks may appear on a particular stock due to certain circumstances (e.g. a merger or acquisition announcement). In any event, you should always check news on a stock before placing a trade. The absence of an asterisk does not imply that there is no current pertinent news on a particular stock.

SCHWAB INDUSTRY RATINGS MEANING AND DISTRIBUTION

About Schwab Industry Ratings

The Schwab Center for Financial Research (SCFR) uses an objective and disciplined approach to rank industries as classified by the widely recognized GICS (Global Industry Classification Standard) groupings. The GICS structure is comprised of sectors, industry groups, industries and sub-industries. Schwab Industry Ratings is a ranking at the industry level.

The term industry is used to describe a business activity (e.g. software, airlines, beverages). If a company participates in multiple business activities, it is usually considered to be in the industry in which most of its revenues is derived.

There are three component grades underlying Schwab Industry Ratings. Each Schwab Industry Rating component grade and respective factors are calculated for each stock in the Schwab Equity Ratings® universe of 3200 stocks and ranked relative to the universe. Stock rankings are then aggregated into an average score for each GICS industry. Next, average scores are ranked relative to the GICS industries and each industry is assigned a Schwab Industry Rating grade of "A", "B", "C", "D" or "F." An industry must include at least 6 companies in order to be rated.

Charles Schwab & Co., Inc. ("Schwab") rates industries "A", "B", "C", "D" or "F". Schwab's outlook is that "A" rated industries, on average, will strongly outperform and "F" rated industries, on average, will strongly underperform the broad equities market over the next 12 months. Schwab Industry Ratings are based upon a disciplined, systematic approach that evaluates each industry on the basis of a wide variety of investment criteria from three broad categories: Fundamental Perspective, Valuation Perspective and Momentum Perspective. This approach attempts to gauge investor expectations and the potential of an industry. Schwab Industry Ratings are not based on the Schwab Equity Ratings of the securities within the industry. Over time, the methodology upon which Schwab Industry Ratings are based may be altered.

How to use Schwab Industry Ratings

There are two uses for Schwab Industry Ratings. The primary use should be for stock selection in conjunction with Schwab Equity Ratings. The other use can be for clients interested in pursuing industry over- and under-weightings within their portfolios and/or industry rotation strategies. It is important for investors to maintain a well diversified portfolio.

How to use Schwab Industry Ratings in conjunction with Schwab Equity Ratings

In conjunction with Schwab Equity Ratings, Schwab Industry Ratings can be useful in screening new stock purchases and in identifying portfolio holdings for possible sale. Schwab Equity Ratings should be given more consideration when making individual stock buy and sell decisions. For example, a "D" or "F" rated stock in an "A" rated industry is still considered a sell candidate by Schwab. Schwab's outlook is that among stocks with similar Schwab Equity Ratings, those with high industry ratings will outperform those with low industry ratings over a 12-month time horizon.

Sector and industry diversification is a critical building block in portfolio construction. A review of sector weights coupled with individual stock concentration is a critical step in evaluating portfolio risk. Simply investing in industries or sectors that Schwab rates highly will not result in a diversified portfolio. To find out how well diversified your portfolio is, Schwab clients should use the Portfolio Checkup tool on schwab.com.

Schwab Industry Ratings Distribution

Schwab Industry Rating	Schwab Industry Rating Distribution	12 Month Investment Outlook for Industry
A	Top 20%	Strongly Outperform
B	Next 20%	Outperform
C	Next 20%	Marketperform
D	Next 20%	Underperform
F	Bottom 20%	Strongly Underperform

Schwab Industry Ratings should not be considered as guidance for buying, holding or selling an individual security. Please refer to the Schwab Equity Ratings for information on general buy, hold and sell guidance for individual equities.

Descriptions for Non-Rated Industries

Category	Definition	Description
NR	Not Rated	Schwab has decided not to publish a rating on this industry due to unusual or extraordinary business circumstances related to this industry.
NC	Not Covered	This industry is not currently in the Schwab Industry Ratings universe or there are an insufficient number of companies in the industry for Schwab to provide a rating.

Modifiers

Category	Definition	Description
----------	------------	-------------

*	Check News	Check current news because a potentially significant event has been announced for a rated industry. Asterisks may appear on a particular industry due to certain circumstances. In any event, you should always check news.
---	------------	---

DISCLAIMER INFORMATION

VARYING VIEWPOINTS - The information contained in these materials reflects the Charles Schwab & Co., Inc. Schwab Equity Rating on a particular stock. Schwab, its affiliates and/or their employees may publish or otherwise express other viewpoints or trading strategies that may conflict with the Schwab Equity Rating included in this report. Please be aware that Schwab and/or its affiliates and the investment funds and managed accounts they manage may take positions, which may be contrary to the included Schwab Equity Rating.

GENERAL INFORMATION - This material is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy. Additionally, Schwab Equity Ratings, Percentile Rankings, and the general guidance are not personal recommendations for any particular investor or client and do not take into account the financial, investment or other objectives or needs of, and may not be suitable for any particular investor or client. Investors and clients should consider Schwab Equity Ratings as only a single factor in making their investment decision while taking into account the current market environment. Schwab Equity Ratings utilize third-party data in computing a rating. While Schwab believes such third-party information is reliable, we do not guarantee its accuracy, timeliness or completeness. Schwab Equity Ratings are generally updated weekly, so you should review and consider any recent market or company news before taking any action. Past history is no indication of future performance and you may lose money on your investment. For questions, please call 877-284-9817.

GICS - The industry classification information contained in these materials reflects The Global Industry Classification Standard (GICS) which was developed by and is the exclusive property of Morgan Stanley Capital International Inc. and Standard and Poor's. GICS is a service mark of MSCI and S&P and has been licensed for use by Schwab.

THIRD-PARTY DATA PROVIDERS - This report was compiled from data provided by Standard & Poor's (S&P), Reuters, Vickers and I/B/E/S (the "Information Providers"). Not all

Coinstar Inc

IMPORTANT DISCLOSURES FOR CSTR

information is available on all companies. Companies with stock splits occurring within two weeks of the report date may not have had their historical data adjusted to account the split. A full glossary and further information regarding use of this report is available in the User Guide which you may access online. Reproduction or redistribution of this report in any form is prohibited except with written permission from Charles Schwab & Co., Inc. and its affiliates (collectively "Schwab") and the Information Providers which are independent of each other. Schwab believes that the information provided is reliable. However, Schwab nor the Information Providers 1) guarantee the accuracy, timeliness, completeness or correct sequencing of the information, or 2) warrant any results from use of the information. The included information is subject to change without notices. Schwab does not guarantee the suitability or potential value of any particular investment of information source nor can be held responsible for any inaccuracies or omissions.

¹Markit on Demand used Standard & Poor's (S&P) data in making its calculations.