

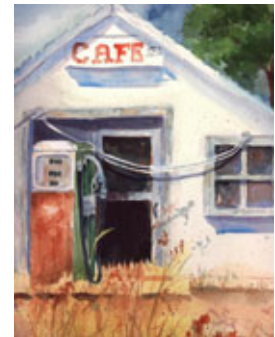
Product Bulletin

ISS45 Fuel Option

MB-ISS45-1199
September 27, 2003

StoreNext Retail Technologies is very pleased to offer the ISS45 Fuel Option, a major extension of ISS45 PoS. For the first time, grocers can have the benefits of the industry's most powerful PoS plus the leading Fuel system in a single 100% integrated product.

Fuel has become an important topic for grocers. Industry studies show that non-traditional fuel outlets such as grocery and mass merchandise outlets are controlling a larger and larger percentage of the market. Meanwhile, grocers are looking for ways to improve financial performance – combined fuel/grocery cross-promotions have demonstrated a potent combination for both profit margins and shopper market share. Trials in the past few years have proven the successful formula to many grocers and fuel is here to stay. (See the Market section below on Page 2 for much more on grocers' motivations for implementing fuel.)



But in the past, grocers had to choose between poor options, either:

- Ancient-iron proprietary and closed fuel control systems with no interface to PoS
- Linking-type systems that allow limited, proprietary cross-promotion of fuel and grocery only, but no accounting or system-level integration
- Limited-function grocery PoS/Fuel combinations designed for convenience stores.

But with ISS45 and its Fuel Option, grocers for the first time have a fully integrated solution. ISS45 + Fuel gives the operator:

- The outstanding grocery system, ISS45 plus an outstanding Fuel control system – perhaps the best in the business
- Complete and absolute integration of all store accounting and balancing – it's one system, not two different systems with an interface
- Complete and absolute integration of all promotions – fuel is just another PLU
- Fuel control at *all* lanes as desired, not just one or two
- Full graphical interface with a clear, informative Fuel Dashboard™ instantly showing the status of every pump and station
- Interfaces to dozens of pumps and pump controllers from all major manufacturers
- Electronic payments for pay-in-store or pay-at-pump.

The sections below provide full information regarding the ISS45 Fuel Option. Without question, grocers implementing a fuel strategy will find ISS45+Fuel as a runaway first choice.

To Your Success,

Tony

Antony van Leventer

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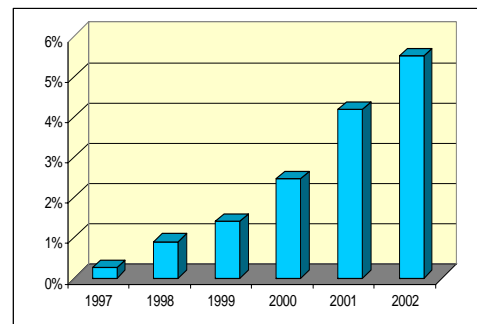
The Market — Why Grocers are Entering the Fuel Business

WHAT'S HAPPENING?

Fuel sales have traditionally been the private province of gasoline stations and gas/repair outlets. With the rise of convenience stores over the past 40 years, C-Stores have also come to be regarded as “traditional” fuel outlets. What’s new is that large numbers of mass-merchandisers, high-volume retail and grocery stores have entered the market in recent years, in many cases taking large market shares away from the traditional fuel outlets.

A few years ago, the market share of non-traditional fuel outlets was only about 1%, hardly a significant factor. But in just five years, non-traditional outlets have grown their share six-fold, to about 6% of the current market, and the traditional outlets are getting alarmed:

- In several large cities including San Diego, Dallas, Memphis, Houston and San Antonio, non-traditional outlets now account for up to 20% of fuel sales.
- With the heavy discounting often provided by mass-merchandisers and large grocery outlets, these outlets are now controlling the pricing for fuel in those areas. As Joseph Leto, president of Energy Analysts International says, “When you start hitting 10% to 15% and are aggressive on pricing, you start moving the market.”
- Non-traditional outlets such as Costco, Albertsons, Kroger and Safeway are taking



Total Non-Traditional Share of Fuel Market

leadership positions in area fuel markets. For example, Costco outsells several of the traditional major fuel brands where Costco has implemented fuel.

- Traditional outlets have found it tough to respond, relying on everything from donuts to delis to dry cleaning to competitively stay afloat. “Once one [nontraditional retailer] gets in, it's very tough for us to compete,” explains Ralph Bombardiere, executive director of the New York State Association of Service Stations and Repair Shops.
- C-Store volume has flattened out after decades of steep growth. Profit margins have declined by almost 25% in three years, from 12% down to 9%, and the C-Store industry as a whole lost 6%-7% of their market share in just two years.

But for the non-traditional stores, fuel has worked out great:

- Costco’s low fuel prices are driving massive volumes of shoppers into their warehouse stores. Even with a members-only policy and no credit cards (except AMEX), Costco has over half their warehouses equipped with fuel and they’ll put it into “every site that can accommodate one,” according to Costco management. (And by the way, Costco uses ISS45 Fuel exclusively.)
- Wal-Mart has put over 200 stations at Sam’s club alone. With 2,800 stores, Wal-Mart is now putting in fuel “wherever possible” in partnership with Sunoco, Tesoro and Murphy Oil.
- Albertsons is also pushing 200 stores (another exclusive ISS45 Fuel user). Albertsons is experimenting with small convenience-type stores with fuel in the parking lots of their big stores with different pricing on the same items. Albertsons is continuing to add Fuel stores with ISS45 Fuel.

Same-Store Sales?

A supermarket operation that pumps 120,000 gallons a month at \$1.40 per gallon will increase same store sales by \$2 million annually.

- Kroger – more than 350 fuel sites open at the end of fiscal 2002.
- Safeway – more of the same, with an expanding fuel program in more and more areas.

The victorious words from management are certainly encouraging – and their actions and continuing rollouts are even more convincing: there’s no question that fuel’s early adopters in the grocery business have been successful. But why?

REASONS GROCERS ARE GOING WITH FUEL

- The first reason is the increase in same-store sales revenue, and in some cases it’s dramatic. With one sole exception – groceries! – fuel is the most commonly-purchased item across all households nationwide: it doesn’t take a genius to realize that if you get all your shoppers buying an average of 60 fill-ups a year at \$25 each, store revenue is going to skyrocket.
- Even if only a small percentage of gasoline purchasers enter the store to buy other items, the number of cross-purchasers is significant enough to generate a sales lift in other merchandise categories. The results are in, and the number seem to be about 10% – that is, the typical number of *incremental shopper visits* that comes from having fuel out front. And all that increased shopper volume means grocery sales recaptured from the convenience stores.
- Driving in-store grocery purchases with fuel cross-promotions presents big profit opportunities (see boxes). Never forget: out of each extra shopper dollar, about .25 goes straight to the grocer’s bottom line. So *you don’t have to make money on gas to make money by selling it*. If you can get your mind around Greenspan-speak, what’s happening here in economic terms is that “the grocer is trading low-elasticity profits for high-elasticity dollars.”
- Many grocers find that they have parking lot space that’s never used. A fuel station productively uses that real estate.
- Better brand recognition resulting from selling both fuel and grocery. Roadside signage, advertising opportunity, shopper awareness all promote additional name/brand recognition.
- Shopper relationships – offering one-stop convenience to your shoppers means more grocery sales *and* fuel sales both. Don’t forget: shoppers buy groceries 10.5 times a month and fuel 5 times a month. So this means one less stop for the shopper, and more transaction for the grocer.
- Make the grocery store a “destination,” not just a “convenience.”
- Just going on the offensive for a change. With convenience stores, category killers and mass-merchandisers all taking a piece out of the grocers’ business for many years, fuel is a chance for the grocer to fight back and *do* something about it.

Using the “Cheap Streak”

We’re amazing. Americans will burn gallons of gas just to save 2 cents per gallon – at a station miles out of their way. And most people have no idea what the price of their stocks are – but they can tell you local gas prices to the penny.

Fuel is the perfect medium to change shopper behavior – unlike most purchases, there is almost no loyalty when buying gas. With 75% of shoppers willing to change stations for 7 cents per gallon (and usually much less) grocers can use this “irrational sensitivity” to gas prices to drive in-store volume and change shopper purchase behavior.

Favorite Supermarket Cross-Promotions

- Shoppers who won’t cut out a \$1.00 coupon will buy new items just to save 3 cents off on gas.
 - Shoppers will fill their carts to hit a weekly \$100 purchase that gives them 5 cents per gallon off their next fill-up.
 - “Tuesday is Gas Savings Day”
 - Buy \$150 in next 30 days, get 10 cents off for the next month
- With ISS45’s unbounded Advanced Promotions potential, the options for food/fuel cross-promotions are almost limitless.

- Dennis Gashler, spokesman for the Dillon companies (Kroger, King Soopers, Fred Meyer, Ralphs, Fry's etc.) summarized their fuel experience into prevailing standard industry wisdom:
 - "We think it makes a lot of sense because purchasing gasoline and purchasing groceries are the most frequent errands people make every week."
 - "This is a way we can make it easier to do both by making it available at a one-stop location."
 - "It gives us something other stores don't have."
 - "It just seems to make a lot of sense because convenience is what it's all about for the consumer these days."

GROCER REQUIREMENTS TO GO FUEL

Grocers considering fuel need to think about the "Three **Ss**" of a successful fuel program.

- First, **Space** – "*How Will It Fit?*" Does the grocer have a location that can support fuel sales? Although across-the-street positioning may achieve some objectives, and even co-marketing partnerships with a third-party gas station can be valuable fallbacks, the real shopper convenience that drives the cross-promotions, additional visits and profits is achieved by adding parking-lot canopies.

- Second, **Strategy** – "*How Will it Work?*" Regardless of the great potential, Grocers cannot simply assume that profits will automatically show up. What do they know about the location of the store and the mind-set of their shoppers, the competing stores, the local gasoline market? And how can they use this knowledge to formulate a strategy?

For example, is the primary objective to increase grocery sales via greater shopper volume, or by boosting average order size? Is fuel going to be a loss leader for driving cross-promotional in-store profits or for it to stand on its own? Is competition expected to quickly follow suit and is installing fuel likely to be a long-term or just a short-term advantage? Grocers need crystal clear answers to these strategy questions are before burying those tanks.

- Third, **Suppliers** – "*How Will it Appear?*" This is sometimes tougher than you'd think. What's the status of independent jobbers in the area? Do you have to go with branded gas? Good competition or poor competition for your wholesale dollars? Willing to work with non-traditional operators like grocery stores? How much help in setting up your business? And: how are your fuel suppliers stacking up price-wise to what the nearby stations are paying for wholesale gas?

Key Grocery/Fuel Strategy Issues

- Do you intend fuel as a *convenience* or a *destination* for your shoppers?
- Who will your fuel customers be? Primarily new shoppers, or your old ones?
- What is your expected overall isolated fuel margin?
- How much of the fuel business — if any — will be subsidized by the store's native margins?
- How much of the store promotions — if any — will be subsidized by fuel?
- What kinds of cross-promotions will work in your base, and how much additional profit will result?
- Can you survive the mid-term market? What will the competitive response be? Can local gas stations afford discounts or are they at their limits? Do other supermarkets nearby have room for fuel?
- Will you add another hook? ("We'll take your groceries out to your car and fill it up for you at the same time..." or "We'll gas up your car while you shop...")

If the grocer has the *Space*, the *Strategy* and the *Suppliers*, good things can happen.

FUEL CHALLENGES FOR THE INDEPENDENT GROCER — AND THE RESPONSES

While fuel may have great potential, no one should think it's going to be easy — fuel is a whole new ballgame for the independent. Just the lexicon (welcome to “Drive-off,” “Pay at Pump,” “Uncollected Change,” “Pre-Pay,” “Pump Test,” “Wet Stock”) is enough to put off a dedicated traditional grocer.

Plus, there are whole new requirements for the fuel business here that are unfamiliar. For example, there is little experience with controlling distant remote devices. How about the issue of accountability coming from devices that no one is accountable for (i.e., each pump is an unattended PoS). And the blind-side issue: grocers won't even be aware of problems out at the fuel pumps until customers come in — to complain.



And what about a whole new set of environmental laws, plus the requirements for totally different experience and expertise — both management and employee — than the grocer has now. And just when they thought they'd gotten through finger-pointing in PoS, fuel will bring many more parties — and their index fingers — to the game: meet device vendors, pump service outfits, your friendly local service contractor and jobbers. Like the pig says after the cartoon, “That's All [New], Folks!”

The answer to these issues is getting people with experience on the grocers' side.

- The first stop — the Dealer: your staff may have fuel and C-Store experience that will be very invaluable to grocers getting started in fuel.
- Second — wholesalers have been getting on the fuel bandwagon, and some can provide important consulting (or maybe just good advice) or be able to line the grocer up with third parties to perform important fuel services. Even better, some wholesalers are beginning to institute fuel programs for their independent member stores complete with region-by-region partnerships.
- Third — as the grocer gets going, they'll need to add the right staff to manage the fuel site. Over time, the experience will penetrate the operation, but starting out without in-house knowledge is like going on-stage in a Broadway musical without knowing your songs.

Other worries to overcome:

- Market turmoil — a long-term non-replicable competitive advantage, or another zero-sum game? Will *all* grocers go to fuel? Is this going to be just another “double ... triple coupon” fiasco?
 - This is where judgment has to come into play — the answers will be different in every area, every neighborhood. The big question — what are your competitors' options in response?
- How to source product — first, the branded vs. unbranded fuel decision, then finding multiple sources of supply.
 - There are special problems with branded gas, especially electronic payments where the vendor will usually not allow anything other than the vendor's own payments system and network — this essentially eliminates any hope of marrying the store to the fuel station, since PoS is not allowed onto that network.
- Price sensitivity of the business — will it continue (you hope so), and will the grocer be able to keep pace depending on fuel suppliers (you must)?
 - There's no evidence that our “irrational sensitivity” to gas prices is on the wane, and the smart money says that cross-promotional power will continue. But the availability of independent fuel at competitive cost will be important to success.

- And don't underestimate the technical challenges:
 - Getting sales and support:
 - Qualified StoreNext Dealers will carry their grocers across the threshold.
 - Coordinating in-store with out-of-store combination purchases:
 - This could be tricky, but the good news here is that ISS45/Fuel handles this very well with several options (and see the Electronic Payments section on Page 9 below).
 - Fully integrating PoS, loyalty and payments with the grocery and fuel combination:
 - ISS45/Fuel handles this with *dazzling ease and stunning aplomb*.

CURRENT INDUSTRY SOLUTIONS

OK, time for multiple choice: (clue – the solution here is as obvious as the wisdom of lighting up and filling up at the same time).

- A. Traditional pump suppliers — here we have Gilbarco, Dresser-Wayne, Tokheim — oops, Tokheim did the Chapter 11 thing... These companies are the old stand-by, and typically have extremely proprietary systems (in fact, designed for things *not* to interface to them) and offer gasoline-oriented minimal PoS. If using branded gas, this may be the only way an independent can go, but kiss any thoughts of integrated PoS/Fuel goodbye.
- B. Promotion Vendors — Fuel Links, SmartEcho, and in some ways Autogas — these companies specialize in clever but partial interfaces between fuel systems and PoS, enough, anyway, to offer cross-promotional possibilities to grocers. Moreover, these promotions are often manufacturer-funded. For example, using Fuel Links, a grocer could offer 3 cents off per gallon in the aisle for coffee — and the coffee vendor would fund some or all of the 3 cents at the end of the process. Shoppers would go through the store accumulating cents-off, granted via a coupon at PoS for subsequent use in the gasoline area. For a long time, this was the best the business could offer, and provided a service. But there is still no true interface between the grocery and fuel sides of the business — they run separately.
- C. C-Store systems — the one good thing is that they integrate fuel and PoS, but these systems are not designed with the features and performance necessary for full grocery. Grocers interested in adventures such as flying to Australia in a Piper Cub may wish to explore such propositions.
- D. And the answer is StoreNext ISS45 with the Fuel Option. Finally, high-end grocery feature/function and high-end fuel feature/function, 100% integrated, very cost competitive, and available to independents via StoreNext Dealers.

In combination with StoreNext, grocers may benefit from turnkey service companies such as Petro Technology or Tanks-Plus who work with independent grocers and wholesalers. These companies provide all or part of turnkey solutions for independents, setting them up through the regulatory and construction process, canopy and tank installation, even assisting fuel jobber contracts.

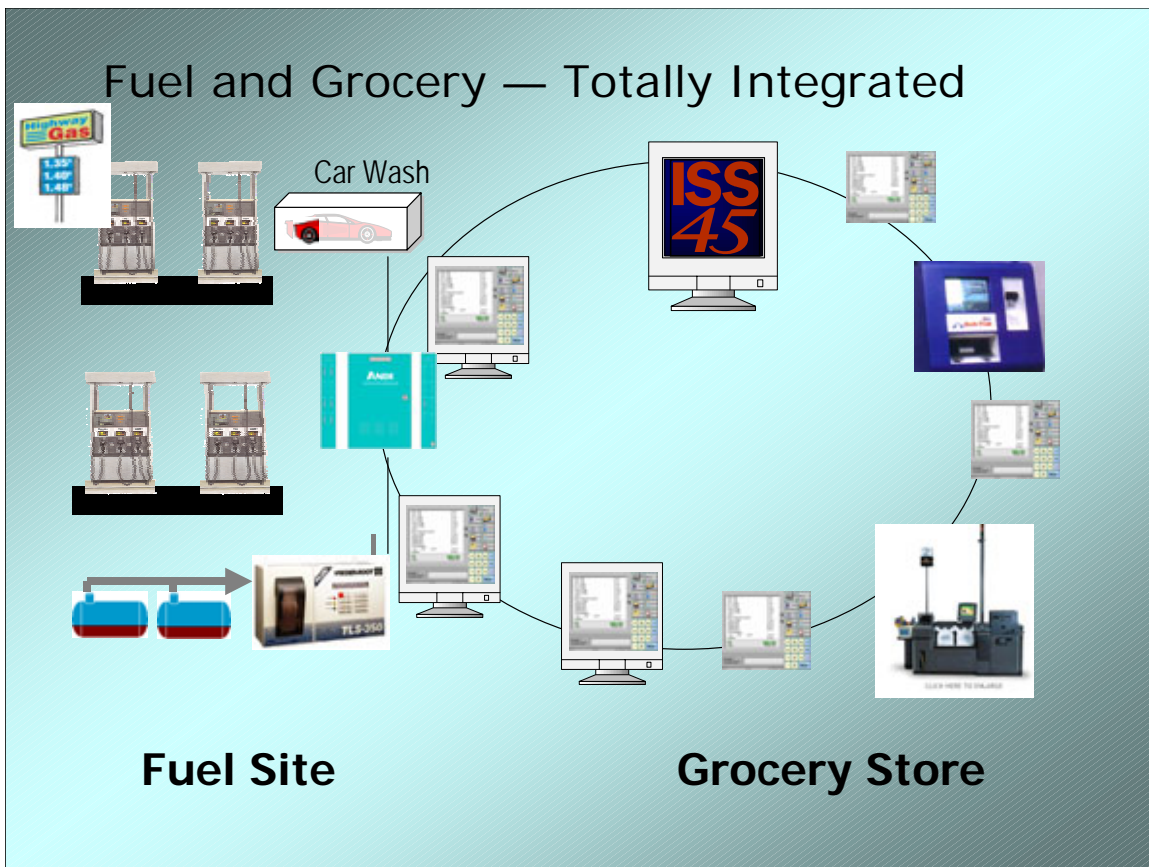
ISS45 FUEL OPTION HISTORY

The ISS45 Fuel Option was derived from Retailix' fuel modules from StorePoint, Retailix' C-Store system in 2000. Initially it was customized for the needs of the Albertsons fuel program and installed with **V8** as a customized module.

Soon thereafter, Costco issued an RFP for a new fuel system to the market, and Fujitsu/Retalix responded, winning the business over all other fuel systems in the market – even though Costco at the time was installing unattended fuel only, not yet requiring an interface to the rest of Costco’s PoS system.

Albertsons, Costco, KVAT and Schnucks now employ a total of about 500 ISS45 Fuel systems.

In 2002, StoreNext determined that fuel capabilities for independent grocers needed to go well beyond the currently existing offerings in the market and joined with Retalix to “package” the Retalix fuel solution and complete its full integration with PoS so that it could be installed and supported by qualified Dealers.



POS SOFTWARE

The ISS45 Fuel Option PoS software consists of add-ons to the PoS software to provide fuel feature/function for checkers, consisting of additional transaction types and the fuel GUI. A grocer may have the Fuel PoS option installed on as many PoS terminals in the store as desired.

Via the controller system, PoS terminals equipped with the Fuel PoS can:

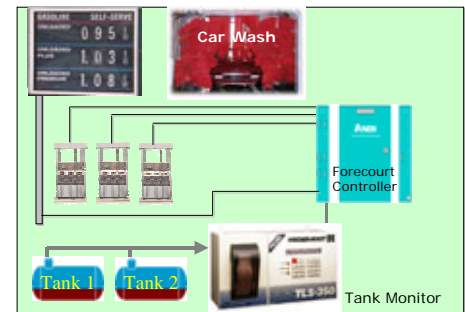
- Control and monitor fuel pumps
- Authorize pumps
- Stop/continue pumps
- Monitor pump status
- Take pump totals and readings
- Monitor status of payment terminal devices



ALLIED STATION SITE CONTROLLER (SSC) — “ANDI BOX”

This device is required in all ISS45 Fuel installations. Allied specializes in interfaces to most manufacturers and models of fuel pumps and controller hardware, and the ISS45 controller software works with the SSC as a single point between the software and all the fuel-related hardware. Different Allied configurations and firmware are required depending on the model and level of the pump hardware. The SSC also controls fuel system accessories providing transparency and consistency across fuel devices, such as

- Pumps
- Card Readers
- Tank Monitoring Devices
- Car Wash Controllers
- Price Pole
- Debit Card Encryption Devices
- External Credit Authorization Networks



A series of interface cards connected to the ANDI motherboard provides the needed communication protocol and physical connection media required to manage many of the devices listed above.

Dealers will get the required ANDI components directly from Allied or an Allied distributor. These components are not available from StoreNext. See Page 15 below for more information.

ELECTRONIC PAYMENTS

Electronic payments systems make fuel installations more complicated:

- Branded gasoline manufacturers almost always mandate that stations marketing their product use the private payments network for internal credit cards, etc. Standard grocery industry payments vendors and networks are typically excluded from participation in branded gasoline sales, and, in reverse, these networks will not normally

permit grocery store participation. As a result, integration of grocery and fuel is effectively prevented with by branded gasoline vendors

- All gas stations typically need pay-at-pump, requiring different EPS capabilities than in-store checker-managed tendering.
- Banking industry transaction pricing discriminates substantially between in-store grocery transactions and fuel transactions, not to mention pay-at-pump transactions. Whereas grocery transactions typically enjoy the industry's lowest transaction costs (grocery transactions are seen as "low-risk") fuel and pay-at-pump transactions are charged significantly more per transaction. Where multiple transaction fee schedules are in place, ISS45's Fuel Option operates with the EPS system so that the store receives maximum benefit of the lowest-cost transaction schedule wherever possible.

ISS45 offers the following options for fuel electronic payments:

- Single-line to PayPoint for both pay-at-pump and store PoS. In-store PoS must use MicroTrax EPS to PayPoint network. When the single line is used, transactions are "tagged" with the source (e.g. in-store, fuel terminal, pay-at-pump) to ensure the lowest allowable transaction cost for the grocer.
- Single-line to Concord/BuyPa\$\$ for both pay-at-pump and store PoS. In-store PoS must use MicroTrax EPS to Concord/BuyPa\$\$ network. When the single line is used, transactions are "tagged" with the source (e.g. in-store, fuel terminal, pay-at-pump) to ensure the lowest allowable transaction cost for the grocer.
- Line to PayPoint switch for pay-at-pump, and separate line for store PoS to other network using standard ISS45 payment options such as Concord, Ingenico, MicroTrax, Lynk etc.
- Line to Concord/BuyPa\$\$ switch for pay-at-pump, and separate line for store PoS to other network using standard ISS45 payment options such as Concord, Ingenico, MicroTrax, Lynk etc.
- Note that for pay-at-pump, ISS45 Fuel provides only high-speed (satellite, frame-relay) communications for EPS. Dial-Up is not supported on MicroTrax or PayPoint. Most fuel operators consider dial-up's intrinsic delays to make it unsuitable for pay-at-pump, but some independent operators will be looking to avoid the costs of broadband connections. StoreNext is working with payments vendors to encourage dial-up options but no schedule is available as of this writing.

StoreNext Dealer ISS45 Fuel Program

The Fuel program for StoreNext Dealers includes the following:

PRICING AND AVAILABILITY

Pricing and configuration for qualified StoreNext Dealers is presented starting on Page 15 below.

The ISS45 Fuel Option is currently in the “Lift-Off” phase, and availability will be subject to the conditions below. As StoreNext proceeds toward General Release during Lift-Off:

- Any ISS45 Fuel Option opportunities must to be discussed with your StoreNext representative for qualification and approval. The Dealer will need to demonstrate specific resources and capabilities in order to qualify for Fuel sales, and the prospect must fit a profile of sufficient experience, timing, size, need and business opportunity.
- Assuming your site is qualified, StoreNext will work with your Dealership to configure and sell the system.
- The system will be installed by a combination of Dealer and StoreNext staff. Dealer staffers will receive on-the-job training, although thorough knowledge from existing fuel documentation is required beforehand.
- Dealers must pay StoreNext standard Professional Services fees for the installation phase, passing these charges onto the users. Dealers will perform subsequent installations independently.¹

DEALER AGREEMENT AND QUALIFICATIONS

Dealers must qualify to sell the ISS45 Fuel Option. Qualification factors include:

- Sufficient quantity and quality of technical resources – whereas some StoreNext offerings may be available on a selling-only basis with third-party support, this option cannot be offered for the ISS45 Fuel Option at this time.
- In-house experience in fuel system sales and support
- Availability of fuel system consulting and support from third parties including wholesalers, solutions specialists etc.
- Sufficient local market and sales opportunities for ISS45 with Fuel
- Completion of ISS45, Fuel Option and ANDI courses as provided by StoreNext, and passing subsequent course exam (see Training on Page 12 below).
- Purchase of necessary demonstration and start-up equipment for demonstration and campaign

Dealers meeting the above qualifications can have the ISS45 Fuel Option added to their StoreNext Dealer Agreement on Schedules A, B and D as required.

Dealers who choose not or cannot market the ISS45 Fuel Option will have other Dealers assigned to assist the Dealer in that territory for Fuel implementation only. The “visiting” Dealer will be responsible for the Fuel Option only, and will not participate with other elements of the sale or installation unless specifically agreed in advance by both Dealers.

¹ Although StoreNext’s systems engineering staff typically attempts to attend and assist first Dealer installations of ISS45 PoS systems at reduced or no charge, this service cannot be made available for fuel installations.

TRAINING

There are three primary components for a Dealer to be certified to sell the ISS45 Fuel option:

- ISS45 V8 Certification
- ISS45 Fuel Option application education
- ANDI (Allied SSC) Certification

A fuel implementation training course will be added to the StoreNext Course Catalog and Schedule. Successful completion of this course is a prerequisite for qualification as an ISS45 Fuel Option Dealer. Current ISS45 education and training information is available online at www.StoreNext.com/Dealer/FrameEducation.html.

Dealers will need to be certified on the ANDI Site Controller. Service technicians need to become familiar with the physical structure of the box, various pumps, tank monitoring devices, and other ancillary components making up the physical structure of a fuel installation.

DOCUMENTATION

ISS45 Fuel Option documentation includes the following. All of the following are available on their respective areas of the ISS45 Dealer Web site and also on the Fuel [All-In-One Page](#).

Document Title	PIN	Part Number	² Price
ISS45 Fuel Office User Reference	45001/046	89000145	Electronic
ISS45 Fuel PoS User Reference	45001/047	89000150	Electronic
SS45 Fuel Option Site Survey	N/A	89000154	Electronic
ISS45 Fuel Option Technical Information	N/A	89000155	Electronic
ISS45 Fuel Option Third-Party Fuel Jobbers and Turn-Key Fuel Providers	N/A	N/A	Electronic

All documentation prices are Dealer Net. Discounts are not available.

SALES AIDS AND COLLATERAL

The following sales aids and collateral are available. Starter packs of the brochures were provided to all Dealers in good standing following MarkeTechnics 2003. Electronic versions are available from the [StoreNext Dealer Web site](#). See also the Fuel [All-In-One Page](#).

² Consumable or documentation item, non-discountable.

Title	QTY	PIN	Part Number	³ Price
ISS45 Fuel Option Brochure (4 Pages)	25	Fuel-Brochure	Fuel-Brochure	25
ISS45 Fuel Presentation (PowerPoint)	N/A	N/A	N/A	Electronic

All Sales Aids and Collateral are Dealer Net. Discounts are not available.

SALES CAMPAIGN SUPPORT

StoreNext will be pleased to assist Dealers in their sales campaigns:

- During the “Lift-Off” period, StoreNext sales and support personnel will work closely with the Dealer to ensure success of the initial campaign and the subsequent installation. Dealers must contact their StoreNext representative to start this process. There will be no charge for reasonable and customary sales assistance. It is anticipated that considerable professional Services assistance will be required for early Dealer installs at StoreNext’s standard rate of \$1,500 per day.
- Collateral:
 - An ISS45 Fuel Option Presentation is available on the StoreNext Dealer Web site on the [Presentations Page](#).
 - An ISS45 Fuel Option Brochure is available in hard copy. In addition, an electronic .PDF of this brochure is available on the [Brochures Page](#).
 - StoreNext will feature the ISS45 fuel option at national shows such as MarkeTechnics, FMI and RSPA/ICRDA/SDA.
 - An [All-In-One](#) Fuel page with all information regarding ISS45 Fuel has been added to the site menu at the StoreNext Dealer Web site.

TECHNICAL SUPPORT

- Technical Support on the ISS45 Fuel Option will be available separately, and under the same terms as standard ISS45 technical support. A new and separate PSS account will be instituted for Dealers taking on the ISS45 Fuel Option at the same currently published prices as for ISS45 PSS. ISS45 PSS and Fuel PSS sites will not be combined for calculation of PSS charges.
- Documentation, includes:
 - ISS45 Fuel Office User Reference
 - ISS45 Fuel PoS User Reference
 - ISS45 Fuel Option Technical Information
 - Other technical information, white papers, Technical Bulletins as developed.

These documents are available to Dealers in electronic format only, and posted on the StoreNext Dealer Web site on the on the [All-In-One Fuel Page](#). Manuals can also be found on the StoreNext [Manuals Page](#).

³ All prices for Sales Campaign Support materials are net Reseller cost and non-discountable.

CUSTOMIZATION

The ISS45 Fuel Option is offered to Dealers as a fully released product that in its current release meets the requirements of most independent grocers.

StoreNext and Retailix will continuously enhance ISS45 Fuel to maintain and strengthen its market position. Due to the complexity and wide-ranging fuel environment, however, StoreNext does not believe that user-by-user customization of this solution for independent grocers can be practically and economically accomplished. As always, Enhancement Requests will be accepted and evaluated, but Dealers must be aware that many of these will not be quoted.

Given the fast trajectory of the system at both StoreNext and Retailix, it is likely that such requests with general market interest *will* be fulfilled over time as the product continues to spread through the market.

Pricing and Configuration

The ISS45 Fuel Option requires the following components:

- ISS45 **V8**, version 8.0.6.0-050 or above.
- ISS45 Fuel Option software license for both office and PoS and corresponding system software keys
- At least one ISS45 PoS⁴
- Additional options as available (e.g. Car Wash)
- Allied ANDI fuel system controller and ancillary cables, etc. These items should be purchased directly from Allied by the Dealer or provided by the third-party pump system provider.
- Fuel pump system – available from traditional pump vendors such as Gilbarco, Dresser-Wayne, Tokheim etc. These items are not available from StoreNext.
- Professional services as required.

Prior to ordering, make sure that you complete the [ISS45 Fuel Option Site Survey](#). This is available on the ISS45 Fuel [All-In-One](#) Page.

Components required and available from StoreNext are detailed below.

ISS45 FUEL OPTION SOFTWARE

PIN	Item	Price	Inst	Maint
45180/066	ISS45 Fuel Controller Service Option ⁵	\$ 8,995	500	500
45180/067	ISS45 Fuel Terminal Service Option, per store (as many terminals in the store as desired) ^{5 6}	1,295	100	100
45180/070	ISS45 Fuel Car Wash Option	1,995	200	200

Certified ISS45 Fuel Option Dealers will receive a 40% discount on these software items. Orders will not be accepted from Dealers not Certified by StoreNext to sell the ISS45 Fuel Option.

ALLIED ELECTRONICS SSC/ANDI COMPONENTS

The ANDI SSC is a necessary component of the ISS45 fuel system (see Page 9 above for ANDI architecture). The ANDI SSC is available from Allied or their distributors. The Allied SSC components are not available from StoreNext.

The SSC is basically a networking device capable of communicating with various fuel technology including pumps, card readers, tank monitoring devices, car wash controllers, price

⁴ A V8 WinPoS PIP configuration to handle this requirement is in the development process and scheduled for release by the end of 2003.

⁵ This product is currently in lift-off phase.

⁶ Requires ISS45 PoS terminal software (45455/xxx) and LAN software (45445/001) for every terminal. The software licensed by this PIN is above and beyond this software base.

pole, debit card encryption devices and external credit authorization networks. A series of interface cards connected to the ANDI Mother Board provides the needed communication protocol and physical connection medium required to manage these devices. Dealer service technicians needs to be trained in the physical structure of the box, various pumps, tank monitoring devices, and other ancillary components making up the physical structure of a fuel installation.

For ordering purposes, there are several pieces and parts that make up an ANDI configuration. Each Dealer will need to thoroughly assess the requirements of the site and perform a detailed site survey prior to ordering. Normal turnaround time on ANDI orders from Allied Electronics is only a few days, so there is no need for Dealers to pre-stock ANDI electronic components for new systems. This would be an expensive proposition, since different components are required depending on the fuel vendors and pump versions.

As discussed earlier in this Bulletin (see Page 12 above) Dealers will need to pass Allied's own courses in the configuration and installation of the ANDI components. Dealers who choose not to complete Allied Electronics certification will not be certified to sell ISS45 Fuel, and are free to work in cooperation with other certified StoreNext ISS45 Fuel Dealers to meet user Fuel needs.

FUEL SERVICE COMPANIES

Several "ground-up" or "turn-key" fuel service companies provide extensive setup and provisions management for independents, and can be of major assistance to Dealers working with grocers to get the fuel operation up and running.

A partial list of such companies is provided on the StoreNext [Fuel All-In-One Page](#). In addition to these companies, the Petroleum Equipment Institute contains a vast amount of information regarding member companies including a profile of each and geographic area served. Please see their Web site at www.PEI.org.

Questions and Answers

ELECTRONIC PAYMENTS

What payment networks are supported? – There are two payments networks supported today, Paypoint and Concord/BuyPa\$\$ using the MicroTrax Payment Solution.

What if I have another payments system my customer wants to use? – The cost to develop additional payments interfaces is likely to be prohibitive for independent grocers and small chains. As Retailix develops additional interfaces based on business opportunities, these will be added as options to the product.

Explain “prohibitive.” – The most recent payments system implemented for pay-at-pump required approximately \$200,000 for negotiation, specification, development, validation, certification and release.

But why can't my independent grocer get a different payments system if that's what they want? – StoreNext is packaging the best fuel system possible to make it practical, installable and affordable to independent grocers. At this time, payment options are necessarily limited, and grocers must determine that the benefits of implementing a fuel system will outweigh concerns regarding their payment system preferences.

Why isn't there a dial-up payments solution yet? – EPS vendors have been reluctant to invest in this new market with what they regard is uncertain returns to the engineering and certification expense in providing dial-up into pay-at-pump. In addition, there are concerns that the delays inherent in dial-up may make it unsuitable for pay-at-pump applications.

My grocer wants dial-up. They don't want to pay for frame-relay or satellite or other broadband comms. What's StoreNext going to do about it? – StoreNext is working with two or three vendors to encourage a dial-up solution.

ENHANCEMENTS

What about enhancements and changes to the Fuel system? Will StoreNext do these? – The ISS45 Fuel Option competes well feature-for-feature against traditional systems. There are bound to be requests, however, and as always StoreNext will entertain them and encourages these ERs. Be aware, however, that while StoreNext is willing to execute almost all ISS45 PoS ERs, development resources for Fuel are extremely scarce with high opportunity costs, and it is clear that StoreNext Dealers cannot assume that most customer-specific fuel ERs can be answered with product.

Do you mean that ERs on Fuel may not be responded to with a quote? – Yes. Retailix may not be able to meet many fuel ERs.

So will this take me out of the fuel market? – The ISS45 Fuel Option has been very successful in larger chains and will suit most independents and Dealers. With most enhancement requests that will have general market enhancements, it is just a question of “when” – as opposed to “if” – the enhancement is completed. ISS45 Fuel has grown in capability

But don't you think maybe they'll just wait if it's not a full 100% of what they? – Independents going to Fuel should get the benefits of Fuel now and implement the desired bells and whistles as they arrive. Keep in mind, until ISS45+Fuel, no grocer, including independents, have had a real PoS+Gas solution at all. The ISS45 Fuel Option is an extremely powerful and complete solution with capabilities and usability far beyond most fuel-only systems, and grocers who have made the strategic fuel decision will be far better off to implement immediately.

FUEL AND PROMOTIONS

Can I provide a “cents off” per gallon discount at the pump? – Yes, using a frequent shopper or loyalty program, ISS45 Fuel will automatically reduce the price per gallon at the pump once the Loyalty Card is key entered, swiped or scanned.

Can I use ISS45’s advanced promotions and offer discounts on fuel purchases? How does it work? – Using ISS45’s flexible loyalty schemes, retailers can cross-promote items and provide a “dollars off” discount on the purchase of fuel. For example:

- Picnic Promo / Fuel Promo
 - Buy Hot Dogs, Buns, Ketchup, Mustard, Relish and Onions
 - Receive \$1 off pre-paid fuel purchase or fuel purchase made outside of the store during the same shopping visit.
- Minimum Purchase Promo
 - Spend “X” dollars at the store and receive \$2.00 off the purchase of fuel.

The same promotional capability can be tied to a Car Wash whereby the customer receives an “amount off” the standard price of a Car Wash with the purchase of specified products or dollars spent.

Can you discount car washes? – Yes. Car wash purchases can be discounted based on purchases made within the grocery store as long as the car wash is purchased during the same order. Car wash discounts can also be given at the pump. ISS45 provides the retailer with the ability to discount the amount of the car wash by either controlling the minimum dollar purchase, minimum fuel purchase, or through the use of a loyalty program. The car wash interface can print an expiration on the customer receipt along with the pass code needed to activate the car wash system.

COMPATIBILITY

What major fuel pump manufacturers are supported? – There are three major pump manufacturers supported through the use of the Allied Electronics (“ANDI”) box. They are Gilbarco, Tokheim (now Dresser Wayne) and Dresser Wayne.

What version of ISS45 do you need? – Fuel is supported over 8.0.6.0-050 and subsequent releases.

Does ISS45 Fuel Work With ISS45 Version 7? – ISS45 Fuel uses the infrastructure provided by V8. Replicating this capability in V7 would divert resources from other critical projects and as such there are no current plans to support the ISS45 Fuel option in ISS45 V7.

Does ISS45 Fuel support Car Washes? – Yes, ISS45 Fuel can support several manufacturers of Car Wash controllers including Ryko III, Ryko IV, Unitec “POS 4000” and Unitec “Interlink.”

What is “wet stock?” How does it work? – The ISS45 Fuel wet stock feature provides a mechanism to monitor the underground fuel tanks. These tanks are typically connected to a Tank Gauge Monitoring system, such as those manufactured by Veeder Root. ISS45 Fuel can poll the tank monitoring system and read the fuel levels in each tank. Additionally, it can determine when fuel deliveries are made, and use the information from the tank readings, and fuel dispensed at the pumps to balance fuel dispensed against fuel deliveries and current tank level readings.

Does ISS45 automate the entire wet-stock process? – ISS45 Fuel does not provide a mechanism to automatically schedule delivery based on tank levels. This can be accomplished through many third party companies.

Can ISS45 Fuel support Fleet Card programs? – ISS45 Fuel does not provide fleet card capability at this time. Fleet programs typically require additional data entry from the pump and at the kiosk including Vehicle Identification Number, PIN, and Odometer readings. Additional work will be required to develop the payment network protocols and transactions to obtain approval for fleet vehicles including type of gasoline to dispense, the authorized number of gallons to dispense, the authorized location etc.

SPECIFICATIONS

How many pumps, tanks, pure products, grades, modes and Fuel PoS terminals can ISS45 Fuel support? – ISS45 can support the retailers diverse needs with support for:

- Up to 64 pumps and terminals
- Up to 32 Tanks
- Up to 16 Pure Products
- Up to 16 Grades
- Up to 32 Operational Modes (night, day, promotional, etc.)
- *Up to 32 Mode Schemes Per Pump*

OK, that's great, but how can I get my hands on more technical information on the Fuel system? – It's all written down for you in the [ISS45 Fuel Option Technical Information](#) document. You can click now, or click later on the ISS45 Fuel Option [All-In-One](#) Page.

OPERATIONS

Can I configure my fuel operation differently for daytime and nighttime? – Absolutely. ISS45 Fuel allows you to define various operational modes. For example, the user may:

- Set up the pumps for “Pay Inside or Outside” during the day, but only “Pay Outside” at night.
- Program pumps in hard-to-see locations to only allow Pay-at-Pump or Pre-Pay.
- Run fully attended during the day and unattended at night.
- Set different hours of operation for holidays.

Can I have all of my lanes running ISS45 Fuel? – Yes. Every lane in the store can be configured to support the ISS45 Fuel control panel. Note however that each terminal using the Fuel PoS lane requires an additional license fee.

Can different cashiers monitor different pumps? – Yes, ISS45 Fuel allows you to define pump groups, and each cashier can monitor a different set of pumps.

How are Price Changes Implemented for Fuel? – ISS45 Fuel provides the flexibility to update prices at the pump through the automated price maintenance batch facilities, or users may elect to update prices manually.

During price changes, do the pumps have to be “locked out?” – No, the ISS45 Fuel system can be configured so each pump accepts a new price at the conclusion of a customer transaction. This way there is no need to lock out all pumps while performing price changes.

STORENEXT FUEL PROGRAM

What training is needed to become ISS45 Fuel certified? – As described in the Dealer Qualification section on Page 11 above, StoreNext is instituting a special Fuel technical training class.

- Dealers qualifying for Fuel sales will be able to send technical staff to this class for training and will be certified pending passing the exam and completion of other Dealer qualification items.
- Additionally, Dealers are required to send their ISS45 Fuel technicians to an Allied Electronics ANDI certification course.

Why do I have to go to the ANDI course? – The Allied Controller (“ANDI Box”) is a critical component in the inter-operation of ISS45 and the Fuel pump system. Failure to fully understand this key component will prevent the Dealer from providing proper support and service to the user, even if the ANDI hardware is being serviced and maintained by a third-party provider.

What support can the Dealer expect for their first fuel installation? – In the case of ISS45 Fuel, the following policies apply:

- StoreNext will accept ISS45 Fuel orders from certified Dealers only. As such, all such Dealers will have completed both ISS45 Fuel and ANDI training.
- StoreNext strongly recommends that all ISS45 Fuel option sales be accompanied by the appropriate Professional Services purchase order to the Dealer from the user. A minimum of three days of Professional Support will probably be required for early installations, and it is essential that the Dealer be compensated for this time.
- StoreNext will schedule on-site support by qualified StoreNext Fuel personnel to help support Certified Dealers for first or early sites, but must have a P.O. from the Dealer for the required professional services time and expenses at standard daily rates. The Dealer can fund these expenses via the PS proceeds recommended above while receiving additional on-the-job training alongside the StoreNext personnel.

What's the first step if I have a Fuel customer? – First, call Pat, Larry, Jim or Joe who will work with our Fuel guy, Tony Pusateri to understand how to get your campaign and process started. For sure, one of the first things you'll need to cover is the [ISS45 Fuel Option Site Survey](#), available on the ISS45 Fuel Option [All-In-One](#) Page. This will give sufficient detail to understand where the issues and glitches are likely to be so they can be flattened in advance.