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Outsite Networks Releases Update of Database Analysis

Updated Independent Research Confirms Earlier Findings

NORFOLK, VA (June 21, 2004) — Outsite Networks, Inc. announced today the publication of an independent research project by Dr. Yuping Liu of Old Dominion University using the company's consumer transaction database. The research project was a follow up to the August 14, 2003 analysis of the company's database. The original project analyzed a 14 month period with 50,000 loyalty consumers and was based on 4.8 million transactions. The new study reviewed the growing database that comprised of 250,000 consumers, over 30 million transactions and a 24 month period. The study clearly shows and confirms the earlier positive results from the company's loyalty and media system. Key findings show the following:

- The average loyalty member total purchase frequency more than doubled from 1.79 times per month to 3.81 times per month.
- Average fuel transaction size of loyal members was 12.18 gallons vs. 9.94 gallons for non-loyal members.
- Average store item transaction size for loyal members was \$5.33 vs. \$4.66 for non-loyal members.
- The top 10% of loyal customers frequented the stores 7.43 times per month and averaged 16.08 gallons per transaction and \$7.48 per transaction of store items.
- 40% of loyal fuel purchases are paid inside of the store and 39% included store items while less than 30% of non-loyal fuel purchases were paid inside the store and only 20% included store items.
- 60% of loyal consumers have become double category buyers (fuel and store) while only 20% were double category buyers when they first joined the program.
- Between 1,000 to 2,000 consumers enrolled into the loyalty program per store.

Outsite Networks President and CEO Anton Bakker stated "The report confirms why our loyalty system works. Without our system, consumers frequent 3 locations: one on the

way to work, one on the way home, and the weekend location. With our system, the consumers concentrate their purchases at stations with the loyalty incentives and increase transaction frequency, transaction size, and bring fuel only customers back inside the store. In addition, our unique automated recruitment at the pump generates high membership enrollment in our clients programs. Most retailers see between 1000 to 3000 consumers per station enroll into the loyalty program. This translates into a very strong ROI.”

Dr. Liu’s full report is attached and is also available on Outside Networks web site at www.outsitenetworks.com

About Outside Networks, Inc.

Headquartered in Norfolk, VA, Outside Networks, Inc. is a leader in loyalty and media technology specifically for the retail petroleum, convenience store and quick serve restaurant markets. The company’s loyalty system utilizes RFID technology to identify loyalty customers and uses either audio and/or video to target market, promote and cross promote to consumers. The company’s system enables retailers to implement and control their own loyalty and/or media programs with powerful internet tools and reporting. To learn more about Outside Networks, please visit www.OutsideNetworks.com or contact Bo Sasnett at 404-223-2422, email at bsasnett@outsitenetworks.com .



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