

COINSTAR, INC.

CORPORATE GOVERNANCE PRINCIPLES

(Adopted & Reviewed June 4, 2007)

In order to help shareholders understand the roles and responsibilities of the Board of Directors and the Company's governance practices, the following is a description of the Company's corporate governance principles and current practices. The Nominating and Governance Committee reviews these practices periodically.

RESPONSIBILITIES OF THE BOARD

Role of the Board

The Company's business is conducted by its employees, managers and corporate officers led by the chief executive officer ("CEO"), with oversight from the Board. The Board selects the CEO and works with the CEO to elect/appoint other corporate officers who are charged with managing the business of the Company. The Board has the responsibility of overseeing, counseling and directing the corporate officers to ensure that the long-term interests of the Company are being served. The Board and the corporate officers recognize that the long-term interests of the Company are advanced when they are responsive to the concerns of shareholders, customers, suppliers, business partners, employees and communities.

Board Responsibilities

The basic responsibility of the directors is to exercise reasonable business judgment on behalf of the Company. In discharging this obligation, directors rely on, among other things, the Company's corporate officers, outside advisors and auditors.

The Board's general oversight responsibilities include, but are not limited to, the following: (1) review the long-range business plans of the Company and monitor performance relative to achievement of those plans; (2) consider long-range strategic issues and risks to the Company; (3) approve policies of corporate conduct that promote and maintain the integrity of the Company; and (4) evaluate the CEO's performance and review the Company's succession plan for the CEO.

CEO Performance Evaluation

At the end of each year, the CEO presents his performance objectives for the upcoming year to the nonemployee directors for their approval. The nonemployee directors then meet privately to discuss the CEO's performance for the current year against his performance objectives; they review that evaluation with the CEO. The Compensation Committee uses this performance evaluation in the course of its deliberations when

considering the CEO's compensation in accordance with the policies and procedures in that Committee's charter.

CEO and Senior Management Succession

The Board views CEO selection and senior management succession as one of its most important responsibilities. The CEO reports annually to the Board of Directors and the Nominating and Governance Committee on planning for CEO succession. The Nominating and Governance Committee annually reviews and reports to the Board of Directors on senior management succession planning. When succession of the CEO occurs, this Committee manages the process of identifying and selecting the new CEO with the full participation of each of the nonemployee directors.

It is the policy of the Company that the positions of CEO and Chairman shall not be held by the same person. The Board believes that separating these two positions is in the best interests of the Company.

Ethics and Conflicts of Interest

The Board expects the directors, officers and employees to act ethically at all times and acknowledge their adherence to the policies comprising the Company's codes of ethics and conduct. The Board will promptly disclose any waivers from the Company's Code of Conduct, which applies to the Board. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman of the Board or the Chairperson of the Nominating and Governance Committee. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Company shall not, directly or indirectly, extend or maintain credit, arrange for or renew an extension of credit in the form of a personal loan to or for any director or executive officer.

Board's Interaction With Stakeholders

The CEO and other corporate officers are responsible for establishing effective communications with the Company's stakeholders, including shareholders, customers, communities, employees, suppliers, creditors, and corporate partners. It is the policy of the Board that management speaks for the Company.

COMMUNICATIONS WITH SHAREHOLDERS

Shareholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the independent directors as a group, by the following means:

Mail: Board of Directors - Coinstar, Inc.
Attn: General Counsel
1800 – 114th Avenue S.E.
Bellevue, Washington 98004

E-mail: AskBoard@coinstar.com

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Company will initially receive and process communications before forwarding them to the addressee.

Communications also may be referred to other areas within the Company. The Company generally will not forward to the directors a shareholder communication that it determines to be primarily commercial in nature or related to an improper or irrelevant topic, or that requests general information about the Company.

Concerns about questionable accounting or auditing matters or possible violations of the Coinstar Code of Conduct or the Coinstar Code of Ethics should be reported pursuant to the procedures outlined in the Standards of Business Conduct, which are available on the Company's Web site at <http://www.coinstar.com>.

BOARD COMPOSITION

Board Size and Composition

The Board periodically evaluates whether its size is appropriate in light of the background and experience of its members and encouraging and maintaining productive deliberations. The Board will have a majority of directors who meet the criteria for independence of the Nasdaq Global Select Market and the National Association of Securities Dealers. The Nominating and Governance Committee reviews annually the appropriate skills and characteristics required of Board members in light of the current make-up of the Board.

This assessment includes issues of expertise (including industry experience and background), independence, integrity, diversity and age, as well as skills relating to operations, manufacturing, finance, marketing, technology and public policy. The Committee has not established specific minimum eligibility requirements for Board members other than integrity, the commitment to act in the best interests of all shareholders, and ensuring that a majority of the Board remains independent.

Term Limits

The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies, and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

Other Boards and Committees

Without specific approval from the Board, no director may serve on more than five public company boards (including the Company's Board) and no member of the Audit Committee may serve on more than three public company audit committees (including the

Company's Audit Committee). In addition, directors who also serve as CEOs or in equivalent positions generally should not serve on more than two public company boards, including the Company's Board, in addition to their employer's board. In calculating service on a public company board or audit committee, service on a board or audit committee of a parent and its substantially owned subsidiary counts as service on a single board or audit committee.

Selection of Directors

Under the By-Laws, the Board has authority to fill vacancies on the Board and to nominate candidates for election by the shareholders. The screening process is handled by the Nominating and Governance Committee in accordance with the policies and principles in its charter with direct input from the other directors. In considering nomination of incumbent directors, the Nominating and Governance Committee may take into account a variety of factors, including a director's age and any changes in a director's professional or personal circumstances.

Director Compensation and Stock Ownership

The form and amount of director compensation will be determined by the Compensation Committee. The Committee periodically reviews and compares the Company's Board compensation to director compensation at peer companies that are also benchmarks for the Company's executive compensation program.

It is the general policy of the Board that its compensation should be a mix of cash and equity-based compensation with a significant portion of such compensation in the form of the Company's stock.

BOARD AND COMMITTEE MEETINGS

Frequency

The Board will generally hold four regularly scheduled meetings per year and will hold additional special meetings as necessary. Each director is expected to attend both scheduled and special meetings, except if unusual circumstances make attendance impractical.

Board Agenda and Meetings

The Chairman, the CEO and the committee chairpersons establish the agendas for Board and committee meetings. Each director is free to suggest items for the agenda, and each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. Information and data that are important to the Board's understanding of the matters to be covered at a Board meeting will be distributed to the directors before the meeting. Directors are expected to review in advance any materials sent to them in order to take part in a meaningful deliberation at the meeting. Directors are expected to attend all Board meetings, as well as the Annual Meeting of Shareholders.

Executive Sessions

The nonemployee directors have the opportunity to meet in executive session to consider such matters as they deem appropriate, without management being present, as a regularly scheduled agenda item for most Board meetings. The Chairman acts as the chair of the executive sessions of the nonemployee directors.

Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company. Any meeting or contact that a director wishes to initiate may be arranged through the CEO or the Corporate Secretary.

Committees of the Board

The Board has the following committees:

Audit;

Compensation; and

Nominating and Governance.

Only nonemployee directors serve on the committees. Chairpersons and members of these committees are rotated periodically, as appropriate. Members of the Audit Committee periodically meet privately with representatives of the Company's independent auditors, and with the Company's Chief Financial Officer.

Each committee has a written charter, approved by the Board, which describes the committee's general authority and responsibilities. The committee chair reports on the items discussed and actions taken at their meetings to the Board following each committee meeting. Committee materials are provided to the committee members in advance of the meeting so as to allow members time to prepare for a discussion of the items at the meeting. Each committee undertakes an annual review of its charter and works with the Nominating and Governance Committee to make appropriate revisions. The Board may, from time to time, establish and maintain additional committees. Members of the Board's committees are expected to attend all meetings.

The Board is responsible for the appointment of committee members and committee chairpersons according to criteria that it determines to be in the best interest of the Company and its shareholders.

The chairperson of each committee is responsible for developing, together with relevant Company personnel, the committee's general agenda and objectives and for setting the specific agenda for committee meetings. The chairperson and committee members will determine the frequency and length of committee meetings consistent with the committee's charter.

Independent Advice

The Board and its committees may seek legal, financial or other expert advice from sources independent of management.

Board and Committee Performance Evaluation

With the goal of increasing the effectiveness of the Board and its relationship to management, the Nominating and Governance Committee assists the Board in evaluating the Board's performance as a whole. The evaluation process, which occurs annually, includes a survey of the individual views of all directors, which are then shared with the full Board and with management. In addition, each of the committees performs a similar annual self-evaluation.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Nominating and Governance Committee and management are responsible for director orientation programs and for director continuing education programs to assist directors in maintaining skills necessary or appropriate for the performance of their responsibilities.

- Orientation programs are designed to familiarize new directors with the Company's businesses, strategies, and policies and to assist new directors in developing the skills and knowledge required for their service.
- Continuing education programs for Board members may include a combination of internally developed materials and presentations, programs presented by third parties at the Company, and financial and administrative support for attendance at qualifying university or other independent programs.