



*Smart Shopping For Busy People®*

**PEAPOD, INC.  
CORPORATE FACT SHEET**

***PEAPOD is Your Personal Grocer & More***

<p><b>OVERVIEW</b></p>	<p>Peapod, Inc. aims to be the leading and preferred provider of online grocery shopping and delivery services. Peapod’s service fundamentally improves people’s lives by offering them a convenient, easy way to accomplish the task of grocery shopping on <a href="http://www.peapod.com">www.peapod.com</a>. We partner with the best grocery retailers in the business to bring our customers high quality, good value and outstanding service. Our team works hard at every turn to “amaze and delight” our customers!</p>
<p><b>SERVICE AREAS</b></p>	<p>Peapod currently provides online shopping and delivery service in <b>five metropolitan areas</b>: Chicago, Boston, Southern Connecticut, Long Island and Washington, D.C.</p>
<p><b>“CLICKS AND BRICKS” BUSINESS STRATEGY</b></p>	<p>Peapod is a wholly owned subsidiary of international food provider <b>Royal Ahold</b>, based in The Netherlands. Ahold is the second-largest retailer in the world. In the U.S., Ahold owns several supermarket companies concentrated in the East Coast, as well as having a presence in foodservice.</p> <p>Peapod works in partnership with Ahold USA supermarket companies. With this “clicks and bricks” strategy, Peapod is able to:</p> <ul style="list-style-type: none"> <li>- Leverage Ahold’s significant purchasing power to procure goods at a lower cost vs. the competition</li> <li>- Leverage the local retailer relationship and brand</li> <li>- Reach an established customer base upon market entry</li> <li>- Achieve operating efficiencies</li> </ul> <p>Peapod works with Ahold USA’s supermarket companies in Boston, Long Island and Connecticut (Stop &amp; Shop) and in Washington, D.C. (Giant Food Inc.).</p>
<p><b>CENTRALIZED DISTRIBUTION MODEL</b></p>	<p>Peapod employs a <b>centralized distribution model</b> in every market. The model has formats for large and smaller markets. In large markets, orders are picked, packed, loaded and delivered from a free-standing centralized fulfillment center. In smaller markets, Peapod establishes “fast-pick” centralized fulfillment centers adjacent to the facilities of our retail partners.</p> <p>Peapod’s <b>proprietary transportation routing system</b> ensures on-time delivery and efficient truck and driver utilization.</p>

<p><b>FOUNDERS AND LEADERS</b></p>	<p>Brothers <b>Andrew and Thomas Parkinson</b> founded Peapod in 1989 in Evanston, Ill. (just outside of Chicago). The brothers brought consumer product marketing and technology experience to the Peapod venture. The brothers remain very actively involved in Peapod today: Andrew is the company's chief financial officer and Thomas is Peapod's chief technology officer.</p> <p>In May 2000 <b>Marc van Gelder</b> joined the Peapod team as president and chief executive officer. Formerly a senior vice president of logistics and supply chain management for Ahold/Stop &amp; Shop, Marc brings to the Peapod team more than a decade of management experience in operations and logistics as well as a global perspective on the food retailing industry.</p>
<p><b>HISTORY</b></p>	<p>Peapod began test-marketing in Evanston in July 1990 with about 400 households. The orders were placed online, just not over the Internet. Peapod would provide software to customers and even sell the modems customers needed to dial in directly to Peapod. During these early days, Andrew and Thomas would do the picking and packing themselves, and make deliveries using their own cars! As demand for the service grew, Peapod expanded operations to include much of the greater Chicago area, which is currently its largest market. Peapod soon expanded to additional markets, and began taking orders over its own website in 1998. <b>Today, Peapod has delivered more than three million grocery orders.</b></p>
<p><b>CUSTOMER SERVICE</b></p>	<p>Peapod prides itself on exceeding customers' expectations and providing friendly and superior service for each and every customer. The Company stands by its <b>Satisfaction Guarantee</b> – meaning that if something about the shopping experience or order is not to a customer's liking, Peapod will make it right. Examples include order credits or item redelivery. Peapod employs friendly, efficient drivers and a dedicated Customer Care Center whose staff communicates with customers via email and telephone.</p>
<p><b>SHOPPING ON PEAPOD.COM</b></p>	<p>As part of Peapod's customer service commitment, the Company continually works to create <b>website features</b> that make shopping on Peapod.com an easy and pleasant experience. Some of the features customers love about our Web site:</p> <ul style="list-style-type: none"> <li>◆ <b>Express Shop</b> – Simply type in the items on your grocery list, separated by commas (i.e.: lettuce, tomatoes, ground beef, mustard) and Peapod pulls up the item selections for you. Fast and easy!</li> <li>◆ <b>Item Comment</b> – Tell us how you want your bananas – green or ripe! Peapod gives the customer control over the condition of produce and other items, and lets the customer decide whether to allow substitution.</li> <li>◆ <b>Previous Order</b> – Pull up your most recent orders – which contain all of your regular items and comment specifications – and begin shopping from that list. Customers love this shortcut!</li> <li>◆ <b>Sort Features</b> – Sort items <i>instantly</i> by price, unit price and nutritional content (including fat, cholesterol, calories, sodium, sugar and more) – or even by Most Popular, if you're curious about best-selling items. Customers love the ability to do quick sorts and get the best deal or the nutrition content they prefer – without the need for doing math in their heads or pouring over nutrition labels!</li> <li>◆ <b>Electronic Coupons</b> – Peapod customers can receive manufacturer-sponsored coupons and incentives tailored specifically to their unique shopping behavior.</li> <li>◆ <b>Nutrition Labels and Item View</b> – For those interested in reading labels, Peapod lets you view full nutrition information labels on all products. The site also features product photos.</li> <li>◆ <b>Personal Lists</b> – Customized lists can be stored for frequent reordering.</li> <li>◆ <b>Aisle Browsing</b> – If you prefer to browse, our site features icons representing standard grocery aisles, such as produce, dairy and household items. Just click to browse the aisle you want to visit.</li> <li>◆ <b>Keyword Search</b> – Type in part of the product name you're seeking and perform a search instantly.</li> </ul>

<b>DELIVERY SERVICE</b>	<p>Groceries can be delivered as soon as the next day after placing an order. Customers select the delivery time of their choice. In most markets, customers have a choice of <b>At-Home</b> or <b>Unattended Delivery</b>. With Unattended Delivery, the customer does not need to be home but instead designates a safe place for the Peapod driver to leave the groceries. Our proprietary cool-chain technology and bin packing ensures that grocery items remain the proper temperature – so when a customer unpacks his or her order, the ice cream is hard-frozen and milk is still chilled!</p> <p><b>Peapod’s shopping and delivery service fees ranges from \$2.95 to under \$10</b> depending on the market and the size of the order. There are no monthly fees.</p>
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