

PSS

October 3, 2006

NOTICE TO THE TRADE – DeCA NOTICE 06-122

SUBJECT: 2007 Dollar Day Promotions

The purpose of this Notice to the Trade is to advise Industry that DeCA will promote four - dollar day sales in 2007.

The implementation of the “dollar days” concept in 2005 was a joint effort between DeCA and Industry to capitalize on the latest industry trends and reflect changes in consumer purchase patterns. Their overwhelming success exceeded our expectations. The MBU will expand the dollar day promotions in 2007 from three to four. The first will be held during period #3 “Super Bowl of Savings” from January 25 to February 7. The second will be from April 12 to 25 as part of period #8 “Shower of Savings Coming Your Way” sale. The third will be from August 16 to September 5 in conjunction with period #16 “Lunch Box Full of Savings” sale. The fourth will be during period #20 “DeCA’s 16th Anniversary Sweet Sixteen Sale” from October 18 to 31.

Industry should again focus on seasonally appropriate high indexing category leading items, which provide commissary patrons with maximum savings over retail. Dollar multiples must be evenly divisible by the number of units. In keeping with the latest industry trends, additional focus will be on 10/\$10. It is critical that Industry focus on price points that reflect an increased savings over the normal VPR price. We have noted that in many instances Industry may round up significantly to reflect a dollar or dollar multiple. It is not our intention to increase pricing. Inflated prices are inconsistent with our overall savings model. Industry generated signage should reflect the regular price of one unit in the regular price field (the most recent non-promoted price). Examples of how the dollar multiple should be reflected are as follows: 10/\$10 or 2/\$4.

My points of contact are Ms. Mary Michael, Promotions Manager, at (804) 734-8228, and Mr. Tom Muehlbauer, Assistant Promotions Manager, at (804) 734-8232.

/s/

Scott E. Simpson  
Chief Operating Officer