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NCH Announces Availability Of Latest SAS 70 Type II Reports

Company Encourages Coupon Redemption Industry To Provide More Comprehensive Assurance To All Clients

[DEERFIELD, IL] January 31, 2006 – NCH Marketing Services, a leader in protecting promotional fund transfers between trading partners, today announced the availability of its latest SAS 70 (Statement on Auditing Standards No. 70) Type II reports.

This was the fourth consecutive year that NCH engaged PricewaterhouseCoopers to issue SAS 70 Type II reports on behalf of its U.S. Coupon Services. The reports – one covering NCH's Retailer Services and the other covering its Manufacturer Services – are being issued after an extensive, six-month examination that evaluated the integrity and security of more than 200 control activities. The examination covered all facilities and data capture services that make up NCH's U.S. coupon business.

As part of the announcement, Mark Dennis, senior vice president and general manager of NCH's U.S. Coupon Services, issued an industry call-to-action.

"It is estimated that more than \$3 billion dollars and millions of transactions flow through the U.S. coupon redemption industry annually, moving between more than 3,000 manufacturers and 90,000 retail submitters," said Dennis. "With so much at stake, there should be no room for shortcuts or control issues that could compromise the security, integrity or audit trail of the system. Controls based on self-reporting simply are not good enough."

Dennis encouraged all those who provide services for managing these large sums of money – both manufacturers' agents and retailers' clearinghouses – to demonstrate more frequently and comprehensively that they are employing efficient, ethical and effective business practices.

"It is one thing for a coupon redemption service provider to undergo a SAS 70 Type II examination; it is quite another to make sure the examination is frequent enough and

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complete enough to satisfy all client needs,” said Dennis. “In our view, the SAS 70 should be conducted by a Big Four accounting firm; it should be repeated annually; it should cover all locations and coupon services; and the examination should be based on reasonably large sample sizes.”

Dennis also encouraged the users of coupon redemption services – not only retailers and manufacturers, but also wholesalers and grocers’ associations – to carefully review their service providers’ SAS 70 reports to determine whether the reports are sufficiently timely and comprehensive.

“NCH understands the time crunch and business pressures that confront manufacturers, retailers, wholesalers and associations,” said Dennis. “The SAS 70 report is one way that service providers interested in the long-term health and well-being of the industry can extend themselves to provide some control assurance and peace of mind. However, it is incumbent on the users of these services to carefully examine the content and timing of the report to decide for themselves whether the documented controls provide reasonable assurance.”

“Coupons are a powerful promotional vehicle in which clients have an extensive financial investment,” commented Charles Brown, NCH’s vice president of marketing. “We are encouraged by the fact that certain firms in the industry have followed NCH’s lead and issued SAS 70 reports of their own; yet, we believe the industry could benefit even more by placing greater emphasis on the frequency and comprehensiveness of these reports. A secured, controlled redemption process helps to maintain the strength of coupons as a tool to drive sales, promote new products and strengthen the relationships that consumers have with brands.”

As of this release, NCH’s SAS 70 Type II reports are available, upon request, to the internal audit departments of NCH’s manufacturer and retailer clients. The SAS 70 for Service Organizations, as defined by the American Institute of Certified Public Accountants (AICPA), provides a standard for examining and assessing internal controls related to financial transaction processing. As a result, NCH’s SAS 70 Type II reports should help its manufacturer and retailer clients streamline their audit reviews of NCH as a service provider.

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NCH Marketing Services, Inc., is a global leader in business solutions for the planning, redemption, settlement and analysis of promotional offers. NCH is a Valassis Company (NYSE: VCI). NCH facilities are located in France, Germany, Italy, Mexico, Spain, the United Kingdom and the United States. Many of the world’s largest companies trust NCH to protect the financial integrity of more than \$3 billion in annual promotional funds transfers between trading partners across the globe. Being the coupon agent of choice for leading retailers and manufacturers is a position NCH has earned for nearly five decades through an unwavering commitment to quality, integrity and advanced technology. For more information about NCH, visit www.nchmarketing.com.