



Park City Group, Inc.

Statistics:

OTCBB:	PKCY
Fiscal Year:	June 30
Common Shares	254.3M
Float:	98.2M
Headquarters:	Park City, UT

Park City Group, Inc. An established software company providing labor savings and cost reduction software and consulting services to the retail, supermarket and hospitality industries. The company's newest products have dramatically improved customers' management of "Fresh" and "Perishable" departments' offerings.

OUTLOOK

Park City Group was founded by Randy Fields, the co-founder and former chairman of Mrs. Fields Cookies. Public since May 2001, the company's strategy is to rapidly expand its market share within the grocery and specialty retail sectors. Park City Group offers a robust set of solutions and it capitalizes on its prestigious user base as customers rapidly deploy and license additional software for their multi-location businesses. Park City Group's customers include such well-known names as The Home Depot, Foot Locker, Inc., The Limited, Boots the Chemist, Schnuck Markets, Pacific Sunwear of California, Wawa, Busch Entertainment and Tesco Lotus (Thailand).

The Company is experiencing significant acceptance within the retail market and especially the supermarket/grocery segment for its Fresh Market Manager and ActionManager solutions. In order to increase potential markets. The Company has initiated a plan to offer its products in the international market. While the Company has a few international customers (such as Tesco Lotus Thailand, Boots the Chemist (UK), The Peacock Group (Wales)) it believes that these markets are facing the same challenges such as Wal-Mart. The Company is uniquely positioned to rapidly deploy its software in Europe because of its patent pending quick switch language support.

Providing software and services that positively and rapidly improve the customer's bottom line

Park City Group, Inc. key strengths and competitive advantages are two fold: first the Company's in-depth hands-on experience as retail operators (developing the functionality from direct experience) gives it a unique perspective of the problems as well as the solution and second, the numerous process patents that deliver artificial intelligence-like technology—a capability that has been carefully embedded in the application to provide "rules" based techniques that allow customers to easily tailor their management systems to capture and replicate the expert knowledge and practices of their most successful managers and locations.

The U.S. retail industry, despite its three trillion dollar size, is finding it difficult to produce acceptable profits. Retailers are facing a market that has become increasingly competitive due to slow overall growth, flat or declining margins and growing pressure from Wal-Mart and other large warehouse clubs and super-center giants. Quick-fix remedies, such as reducing staff, trimming inventories and reducing services, provide only temporary results. In time, these remedies often erode revenues and customer loyalty, creating additional profit declines. To gain sustainable revenue improvements, leading retailers are *reinventing* themselves and using technology to better manage operations. Park City Group offers its customers consulting services and software technology to successfully improve core business management processes.

Because of its success domestically, the Company is now looking at the international market and especially Europe to increase market penetration beyond its already existing international customers. Tesco Lotus Thailand, for example was the first customer to deploy Fresh Market Manager and a number of UK based companies have used the ActionManager products for a number of years. With its patented language support and the direct sales and support capabilities of its international strategic alliances such as Kurt Salmon and Associates, the Company will be able to rapidly deliver a return on the customers' investments – a hallmark of the Company's success.

By licensing its products to the retailers on a store-by-store and department-by-department basis, the company has numerous licensing opportunities within any given customers. This leverages not only the growth in the customers operation (increase in stores) but also opens licensing opportunities for seamlessly integrated software solutions in the Company

offering. With this extraordinary operational business revenue model that maintains and grows significant revenues from increasing penetration into different departments within the same customer, it allows the company to build a **significant recurring revenue base**.

TECHNOLOGY SOLUTIONS

Fresh Market Manager automates “Fresh” and “Perishable” departments (i.e., Bakery, Dairy, Deli, Seafood, Meat, Frozen Foods, Floral and any other departments with short-shelf life items), which in the last 20 years has grown from less than 20% to now account for 50% or more of a grocery store’s revenue. Focusing first on Cost Control and item level category management and contribution, Fresh Market Manager has delivered margin improvements of 3-5% and increased sales of 2-4% improved for its customers. Fresh Market Manager accomplishes this through demand forecasting, production planning, inventory control and real-time alerts of conditions and impending problems.

Fresh Market Manager is based on a highly respected and recognized model for the multi-location Mrs. Fields’ Cookies business, where Park City Group founder Randy Fields was co-founder and chairman. This model has been enhanced with today’s technology to provide a substantial competitive edge for its customers—grocery chains searching for methods to combat the pressure of Wal-Mart and other large warehouse clubs and super-center giants. This pressure is forcing today’s grocery retailer, domestic and international, to better manage operations and lower operating costs without affecting service levels.

ActionManager, a companion suite to Fresh Market Manager is composed of 18 applications designed for geographically disbursed retail organizations. The applications greatly simplifies complex management issues using rules-based technology that automates workflow, employee scheduling, time keeping, training and hiring activities, as well as providing real time alerts for pro-active problem resolution. Recent studies indicate that labor costs represent 53+ percent of operating expenses of a grocery chain. Stores not only need to have the right person in the right place at the right time, they need to maintain high levels of customer service, while keeping labor costs down. ActionManager provides management the ability to significantly automate the over-all planning and decision-making process in these areas. Park City Group’s suite of software, Fresh Market Manager and ActionManager are designed for the challenge. Visit <http://www.parkcitygroup.com/> for in-depth product overview.

Numerous process patents and pending patents protect the company’s technology investments. These patents and pending patents represent such diverse capabilities as quick switch multi-language support to tasks and sequences in scheduling to supporting sophisticated forecasting algorithms.

Corporate Information:
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RECENT DEVELOPMENTS:

Mar. 31 – Park City Group announces preliminary 3rd quarter results of increased revenue and continued profitability for second consecutive quarter and reduction in outstanding liabilities by more than \$1 Million.

Mar. 23 – Long time Park City Group customer Pacific Sunwear of California licenses additional software for 900 locations.

Mar. 16 – Park City Group announces newest grocery customer WinCo Foods will be using labor scheduling.

Mar. 08 – 350 unit Kwik Trip (regional gas/convenience store) licenses labor management software from Park City Group.

Feb. 17 – Park City Group Reports a 94% increase in 2nd quarter revenues and Posts substantial improvement in net income.

Feb. 10 – Park City Group Announces new product named Center Store Inventory Manager to expand sales and revenue opportunities in grocery and supermarkets -

Jan. 13 - Park City Group bolsters revenues with a \$1 Million Agreement with point-of-sale vendor, CRS, Retail Systems, Inc. of Newburgh, NY

Aug. 27 – Park City has successfully deployed its Fresh Market Manager application in the bakery and seafood departments of St. Louis, Missouri-based Schnuck Markets, Inc.

Aug. 5 – Park City was granted a pending status for its patent entitled “Disambiguating Point-of-Sale Data Through Item Indexing”. The patent addresses one data analysis requirements of fresh and perishable item management – accurate reporting and production of perishable items that equals the consumers’ demand for fresh product at the time of purchase. The company currently holds eight patents and has five patents pending.

July 30 – Supermarket industry leader Price Chopper begins implementation of Park City Group’s Fresh Market Manager software.