



NEWS

FOR IMMEDIATE RELEASE

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DataPath and drugstore.com, inc. Work To Improve Flexible Spending Benefits

Little Rock, AR (February 7, 2005) – DataPath, a leading provider of software solutions for employee benefits, is pleased to announce an agreement with drugstore.com, inc. (NASDAQ:DSCM), a leading online retailer of health, beauty, vision, and pharmacy products. The relationship automates claims processing of Flexible Spending Account (FSA) related purchases when DataPath's landmark *myResourceCard*® MasterCard® Credit Card or *mySourceCard*® MasterCard® Debit Card are used to purchase eligible products at the drugstore.com™ FSA Store. This partnership will benefit consumers by eliminating much of the traditional hassle of submitting paper claims to the benefits administrator.

"With the drugstore.com FSA store, any DataPath credit or debit cardholder can take advantage of the wide selection of FSA-eligible products," said John Robbins, Sr., president of DataPath, Inc. "We will begin educating our clients immediately about how they can start saving money and reducing paper claims by using the drugstore.com FSA store."

The drugstore.com FSA store simplifies the FSA purchasing process by making all FSA-eligible products easily identifiable with a special FSA icon. FSA-eligible purchases are separated automatically from ineligible purchases at checkout, and qualifying products will be paid for with the customer's DataPath card.

DataPath provides a variety of employee benefits solutions for FSA, DCAP, HRA, Parking, Transit, and HSA benefits programs that integrate benefits administration systems and debit and credit card technology platforms. For more information on DataPath's benefits solutions, contact DataPath at 501-296-9990 or visit us online at www.dpath.com.

ABOUT DATAPATH, INC.

DataPath, founded in 1984, is a management-owned, privately held company based in Little Rock, AR that produces software solutions for administering employee benefit plans. Clients include employers, outsourcing benefit consultants, and plan service providers. DataPath's flexible solutions allow its clients to market, propose, install, administer, test, and report employee benefit plans. Approximately 2,000,000 FSA participants are administered with the DataPath software applications and the number of Debit Card participants is steadily growing since its release in January of 2005.

ABOUT DRUGSTORE.COM, INC.

drugstore.com, inc. (Nasdaq: DSCM) is a leading online provider of health, beauty, vision, and pharmacy solutions. The drugstore.com™ online store provides a convenient, private, and informative shopping experience that encourages consumers to purchase products essential to healthy, everyday living. The online store offers thousands of brand-name personal health care products at competitive prices; a full-service, licensed retail pharmacy; and a wealth of health-related information, buying guides, and other tools designed to help consumers make informed

purchasing decisions. Consumers can personalize their shopping experiences with shopping lists, e-mail reminders for replenishing regularly used products, and private e-mail access to pharmacists and beauty experts for questions.

drugstore.com, inc. has been awarded the Verified Internet Pharmacy Practice Sites (VIPPS) certification by the National Association of Boards of Pharmacy (NABP) as a fully licensed facility exercising competent, safe pharmacy practices in compliance with federal and state laws and regulations.

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