

Checkpoint Launches Industry's First RFID-Based EAS Solution Designed for Apparel Retailers: RFID Overhead EAS Solution

Delivers Real-time Merchandise Visibility and Enhanced Loss Prevention Benefits

DALLAS — June 13, 2011- [Checkpoint Systems, Inc.](#) (NYSE:CKP), a leading global supplier of shrink management, merchandise visibility and apparel labeling solutions for the retail industry, today announced here at NRF Loss Prevention Conference & Expo its RFID Overhead EAS Solution, delivering benefits both for loss prevention and inventory visibility at the point-of-exit. This solution includes overhead RFID hardware with specialized on-board filtering software and new RFID hard tags and labels.

“METRO GROUP is very optimistic about RFID-based EAS,” said Dr. Gerd Wolfram, managing director at METRO SYSTEMS. “We’re confident that RFID builds on the usability of traditional RF EAS both for loss prevention as well as inventory visibility, enabling us to better serve our customers.”

RFID Overhead EAS is a key component of an integrated solution delivering real-time inventory and related benefits, while serving as an enhanced EAS system, improving operations at the point-of-exit. It leverages open-standards RFID technology and delivers several new, important benefits for apparel retailers:

- **Leverages a single RFID tag for inventory visibility and loss prevention.** The Overhead Solution uses one tag for multiple purposes, increasing efficiency at point-of-sale and cost-effectiveness over the long-term.
- **Provides an open entrance.** Installed either suspended from the ceiling or fully concealed within it, the Overhead Solution enhances the store entrance’s appearance.
- **Enables retailers to know what was stolen.** The Overhead Solution enables retailers to actually know what was stolen, the quantity and the dollar value, helping them to maintain shelf availability and respond smarter to a theft event.
- **Enables retailers to fight all sources of theft.** Apparel retailers now have the potential to distinguish among the actions more typical of a casual shoplifter from a professional thief or organized retail theft group, enabling them to take action based on the size and scope of the event.
- **Enhances theft deterrence.** Combined with [Checkpoint’s Merchandise Visibility Solution™](#), apparel retailers can enhance deterrence by displaying an image or description of the items that were stolen, warning shoplifters of the presence of a more sophisticated system, and causing them to recalculate the risk.
- **Increases alarm integrity.** By leveraging encoded tags, retailers benefit from the Overhead Solution’s ability to “ignore” tags from other retailers, helping associates respond confidently to alarms, and increasing customer satisfaction.

The RFID Overhead EAS Solution builds on the success of Checkpoint's high-performance series of RF and dual RF/RFID systems, and encompasses hardware, software and tags. A key advantage is a unique combination of patented hardware and software technology called *Wirama Radar™*, which ensures data integrity by eliminating stray reads. This technology uniquely enables Checkpoint to deliver unprecedented accuracy and context in reporting the location and directionality of movement of tagged merchandise, providing insight much like commercial radar informs air traffic controllers, meteorologists and the military, while adhering to EPCglobal standards.

The RFID Overhead EAS Solution joins the previously announced Handheld Visibility and Open EPC Number Management Solutions as part of Checkpoint's solutions portfolio to deliver increased Merchandise Visibility to apparel retailers. Beyond this point-of-exit solution, Checkpoint plans to add several additional solutions in the coming months to provide value for the growing number of apparel retailers that seek to leverage RFID to reduce out-of-stocks, reduce working capital, increase sales, as well as enhance loss prevention and the customer experience.

Checkpoint developed its RFID Overhead EAS Solution to address apparel retailers' needs to leverage RFID both to maintain inventory at the speed of fashion, as well as to reduce shrink, notable for the apparel industry due to its #2 rank among all retail verticals for shrink as a percent of sales, according to the Global Retail Theft Barometer.

"The ability for a single RFID tag to deliver benefits both for inventory management as well as loss prevention is an important advantage for apparel retailers seeking to maximize the value of their RFID investment," commented Dr. Bill Hardgrave, dean of Auburn University's College of Business. "Determining the static location and dynamic directionality (movement) of merchandise are essential to truly addressing data integrity and loss prevention."

"As apparel retailers increasingly adopt RFID to increase sales, reduce out-of-stocks and reduce working capital, they are also considering the impact that this technology can have on their loss prevention practices," noted Per Levin, Checkpoint Systems' worldwide president, Merchandise Visibility Solutions. "We're providing apparel retailers with solutions that offer a pathway to achieve promising benefits, independent of their individual starting point."

The RFID Overhead EAS Solution is now being field-tested by major retailers, and will be available in early Q3.

About Checkpoint Systems, Inc.

Checkpoint Systems is a global leader in shrink management, merchandise visibility and apparel labeling solutions. Checkpoint enables retailers and their suppliers to reduce shrink, improve shelf availability and leverage real-time data to achieve operational excellence. Checkpoint solutions are built upon 40 years of RF technology expertise, diverse shrink management offerings, a broad portfolio of apparel labeling solutions, market-leading RFID applications, innovative high-theft solutions and its Web-based Check-Net data management platform. As a result, Checkpoint customers enjoy increased sales and profits by improving supply-chain efficiencies, by facilitating on-demand label printing and by providing a secure open-merchandising environment enhancing the consumer's shopping experience. Listed on

the NYSE (NYSE: CKP), Checkpoint operates in every major geographic market and employs 5,600 people worldwide. For more information, visit www.checkpointsystems.com.

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