

**PRESS RELEASE****New technology goes live****RFID pilot project brings clarity to thicket of merchandise**

**Graz, 5. Juni 2007.** Karstadt Warenhaus GmbH is optimizing its merchandise management system with state-of-the-art RFID technology. The technology will be used for the first time in a pilot store from August as part of a pilot project that has just been launched. The aim: satisfied customers who find their desired product in all sizes and colors at all times in the store's stock as well as a large number of improved sales processes and a complete overview of all stocks. Karstadt customers and the Company thus benefit equally from the new technology. The project is being implemented in cooperation with ADT, a top provider of electronic security solutions, and RF-iT Solutions, a leading provider of RFID software and technology advice.

RFID stands for radio frequency identification and enables contact-free data transfer based on radio waves. Karstadt is the first retailer in Germany to test this technology in regular sales. The technology is first tested in laboratory cases by the project partners ADT and RF-iT Solutions to see if it functions.

What is being tested at Karstadt is the complete jeans and jeanswear range carried in one of its stores. A chip fixed to the labels on the clothing items signals the current storage location at any time. This provides employees with an overview of how many goods are still on the shelves and how many are in the store's stocks and the general depot. The radio waves show the exact location of each individual product and this replaces the troublesome annual inventory count, for instance. It also increases the availability of merchandise and enables a quicker response to price changes due to more frequent stocktaking.

The project has also met with clear approval among suppliers: they have joined forces with Karstadt to form a team that is to gather experience in dealing with RFID. The aim is to speed up delivery processes to be able to meet demand more quickly, thus increasing customer satisfaction.

To continue guaranteeing data protection, the chip will be removed at the cash desk when the marked items of clothing are purchased. Customers will also be provided with information to make them aware that the new technology is being used.

"This project is revolutionary and creates added value for customers and companies. We chose these two project partners based on our successful cooperation of many years and the major expertise of ADT and RF-iT-Solutions," commented Rainer Jilke, head of process organization for Purchasing and head of the RFID process at Karstadt.

**Notes to the editor****About Karstadt**

Rudolph Karstadt opened his first store on May 14, 1881 in Wismar (Germany). 125 years after it was founded, Karstadt Warenhaus GmbH – a wholly owned subsidiary of KarstadtQuelle AG – is one of Europe's leading department store companies. Between 2.5 and 3 million customers visit its 90 department stores and 32 Karstadt Sport stores daily. The Management Chairman is Peter Wolf who is also a member on the Management Board of KarstadtQuelle AG (Essen).

**About ADT**

ADT, part of Tyco Fire & Security, designs, installs and services electronic security systems for retail, business and government and home intruder protection and detection systems. Sensormatic<sup>®</sup> is a leading brand of ADT. In Europe, ADT's products include alarm systems and integrated security applications that link access control, RFID, CCTV, electronic article surveillance and source tagging systems. They are used to deter thieves and protect people, goods and property.

**About RF-iT Solutions**

RF-iT Solutions GmbH, Graz (Austria), was established in 2005 as a management buyout of Infineon AG's RFID Software and Solutions division. Using end-to-end solutions, RF-iT Solutions GmbH combines business processes in companies with RFID technologies and IT. With 25 employees, the company focuses on marketing and further developing the scaleable Auto-ID software product You-R<sup>®</sup> OPEN and complementary services. Combined with the knowledge of the experts, You-R<sup>®</sup> OPEN ensures that a quick while at the same time qualified entry to the market is possible for integrators and software manufacturers alike.

**Further Information**

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