

## Checkpoint Systems Introduces World's First Source-to-store Merchandise Visibility Solution

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### *Retailers Can Now Optimize the Entire Supply Chain with a Comprehensive, RFID-enabled Solution*

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[THOROFARE, NJ – April 7, 2009](#) – [Checkpoint Systems](#), the leading supplier of shrink management solutions, today announced the world's first comprehensive Merchandise Visibility Solution, enabling apparel and other retailers to optimize the entire supply chain from source to store.

Available immediately, the new solution delivers high-resolution visibility for retailers, and addresses the challenges they face in managing their operations and ensuring adequate on-shelf inventory to meet customers' needs. Checkpoint has brought together the hardware, software and services to deploy a complete standards-based, source-to-store, RFID-enabled Merchandise Visibility solution.

"Checkpoint's Merchandise Visibility solution transforms retailers' operations, enabling them to improve their supply chain and in-store operational effectiveness in ways never before possible," said Rob van der Merwe, Chairman, President and CEO, Checkpoint Systems Inc. "This solution positions retailers to gain unprecedented visibility to reduce out-of-stocks, reduce shrink and reduce working capital, while improving the consumer's experience and increasing sales."

Industry studies show that retailers' inventory numbers are accurate only 35% to 45% of the time, and merchandise is out-of-stock 10-12% of the time. As a result, retailers face margin-reducing pressures across a variety of fronts, including lost sales due to out-of-stocks, lost sales of items that would have been purchased along with the out-of-stock item (such as a belt with a pair of designer jeans), end-of-season markdowns caused by overstocks, and increased operational costs associated with manual counting and stocking processes.

"Our Merchandise Visibility Solution provides apparel retailers with comprehensive visibility from the source to the store," said Prasad Putta, general manager, Merchandise Visibility, Checkpoint Systems. "Checkpoint's comprehensive portfolio of products and services enables us to design and implement solutions delivering benefits to the entire retail supply chain, from the point of manufacture into the hands of consumers. Checkpoint is the only company that can provide retailers with the complete, proven solution that they need to cost-effectively optimize shelf availability to meet customers' needs."

The Merchandise Visibility Solution addresses these challenges by seamlessly integrating the combined strengths of several key Checkpoint capabilities:

- **RFID software** from Checkpoint's OATSystems division, delivering information management and real-time event processing to automate and error-proof the entire supply chain
- **RFID tags**, delivered to the point of manufacture and applied at the source, through the company's unique Check-Net service, providing visibility at the start of the supply chain
- **Shrink management solutions**, including portals and readers to track inventory throughout the supply chain in real-time.
- **Installation services** for all of the equipment that provides real-time insight as merchandise moves throughout the supply chain

With Merchandise Visibility, retailers can now achieve the precision and accuracy in their operations never before possible. It provides critical information that is used to error-proof the supply chain, optimize inventory levels, alert store personnel when merchandise must be re-stocked, and automatically reorder when in-store quantities are too low. As a result, retailers can better manage inventory to meet customer demand, ensuring adequate stock levels without excessive inventory.

"Particularly during difficult economic times like these in which consumers have dramatically curtailed their spending, retailers must be in a position to sell when their customers are ready to buy," added Putta. "Missed sales opportunities are simply too costly; the majority of customers will shop at a competitor's store if the item they are looking for is out-of-stock, making each and every selling opportunity critical for the retailer. In addition, retailers face high capital costs. They can't just stock extra merchandise; they need to optimize inventory levels to prevent overstocks that lead to costly markdowns."

Several retailers in Europe use Checkpoint's Merchandise Visibility Solution to obtain unprecedented high-resolution visibility and the solution continues to gain traction. Checkpoint has a dedicated team focused on this solution, extending its portfolio of shrink management solutions that four of the top five global retailers - and hundreds of others - rely on for their shrink management needs.

#### **About Checkpoint Systems, Inc.**

Checkpoint Systems, Inc. is the leading supplier of retail shrink management and merchandise visibility solutions. Checkpoint's global team helps retailers —and their suppliers—reduce theft, increase inventory visibility and provide consumers with greater merchandise availability through the company's rapidly evolving RF technology, expanding shrink management offerings and Check-Net labelling solutions. Listed on the NYSE (NYSE:CKP), Checkpoint operates in every major geographic market and employs 3,900 people worldwide. For more information, visit [www.checkpointsystems.com](http://www.checkpointsystems.com)

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