PRESS RELEASE

RFID Printer/Encoders – Not Just for Supply Chain

Natick, Massachusetts – September 17, 2007 – Applications outside CPG supply chain management accounted for more than 1/3 of the total RFID printer/encoder market in 2006 and are expected to experience growth in excess of 60% through 2011. Adoption of RFID printer/encoders for supply chain applications has been slower than expected over the past few years, a result of few commercial-scale deployments and an overall low adoption rate.
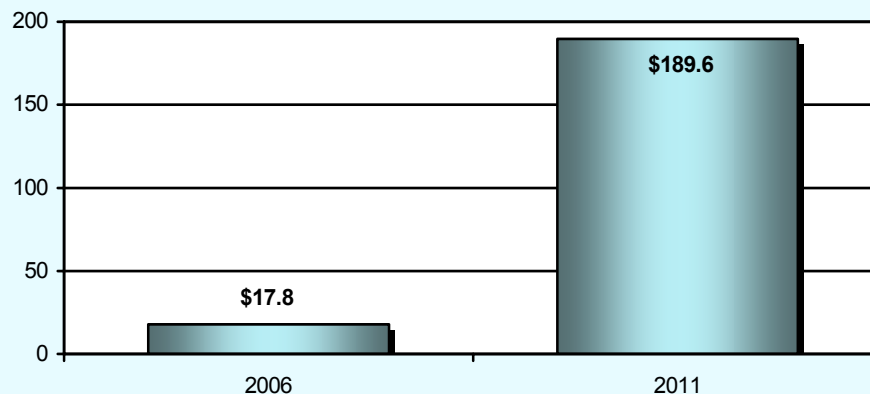
"Significant gains were made in the transportation and health care sectors," cited Louis Bianchin, Senior RFID Analyst at Venture Development Corporation. "We saw greater penetration for printer/encoders of both frequencies supporting applications such as baggage handling and patient ID, and we don't expect either of these emerging opportunities to slow down in the near term."

The potential of RFID for baggage handling is finally starting to materialize. Although only a handful of airports are currently investigating or piloting RFID for baggage handling, the industry's expectations are that more than 30 airports, globally, will adopt the technology over the next 5 years.

Health care applications accounted for nearly 15% of the total RFID printer/encoder market in 2006 and are expected to exceed $28 million by 2011, a compound annual growth rate (CAGR) of nearly 62%. These products are used to print Smartlabels and smart wristbands that support applications such as patient/newborn tracking, inventory control, document tracking, and asset management.

The global market for RFID printer/encoders approached $18 million in 2006 and is anticipated to grow at a compounded annual growth rate of approximately 60% over the next 5 years. The majority of revenues, approximately 78%, were derived from UHF devices; however, more than 55% of the total unit shipments were accounted for by HF units. The average factory selling price for each frequency accounted for the variance in revenues – UHF units are, on average, four times more costly than their HF counterparts.

**Global Shipments of RFID Printer/Encoders and Applicators
(Millions of Dollars)**

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