

ADT Significantly Cuts Retail RFID Deployment Costs with Sensormatic® iREAD™ Technology Breakthrough

- *EPCglobal Gen 2-Based Platform Reduces Deployment Complexity and Cost*
- *Leading German Retailer Karstadt to Realize Faster Benefits and Investment Returns*

Düsseldorf, Germany – December 6, 2007 – Today ADT radically improves the economics of in-store, item-level radio frequency identification (RFID) deployments, reducing reader requirements by up to 90 percent and capital costs by up to 60 percent. Using the EPCglobal Gen 2 standard in a new way, the new Sensormatic iREAD platform reduces both the complexity and cost of deploying RFID technology in a major step forward that offers a fundamental improvement in return on investment for retailers.

The Sensormatic iREAD platform eliminates the separate power, control and data distribution infrastructures that have until now been needed for in-store, item-level RFID. By consolidating these into one network, it offers substantial cost savings and improves the ease of installation in a shop floor environment, which will broaden the appeal of RFID to retailers considering the use of the technology to enhance their operations.

iREAD provides a flexible and scalable foundation for retailers to capitalize on the business benefits offered by RFID. It also reduces the relatively high number of readers, cables and antennas required by traditional RFID systems. The inherent modularity and simplicity of the platform means retailers can adapt its capabilities to almost any retail configuration – shelves, racks, tables and other display types.

In a typical medium sized retail store, an item-level RFID system would normally require around 100 readers to be installed and an initial hardware investment of around €300,000 (\$435,000). With the iREAD platform, the system would only require around 10 readers to be installed – a 90 per cent reduction in reader hardware. The initial investment falls to around €100,000 (\$145,000) – a reduction of more than 60 per cent – with further cost savings to be realized during ongoing operation. The benefits and cost savings can increase exponentially with the size and scale of the deployment.

ADT and its industry-leading Sensormatic brand of electronic article surveillance (EAS) anti-theft systems have a long history of large-scale, item-level tagging for inventory security. Karstadt Warenhaus GmbH, one of Germany's leading retailers and a user of

Sensormatic EAS to secure its merchandise and reduce losses, has now deployed the iREAD platform as part of a major apparel implementation at one of its flagship stores.

Rainer Jilke, Karstadt's RFID Manager, said: "By incorporating the Sensormatic iREAD platform, Karstadt can make substantial cost savings on item-level RFID deployment. In turn, those cost savings will help us realize a faster return on investment from better inventory and price management, an improved supply chain process and a reduction in shrinkage. In addition, the item-level visibility we gain will help us increase on-shelf availability, customer satisfaction and sales."

"Retailers will appreciate that we're not introducing a new protocol but using the EPCglobal Gen 2 industry standard in a new way," says John Smith, Vice President of Retail Sales for ADT Europe, Middle East and Africa. "Put simply, we have created a unique application based on the existing standard to reduce the complexity and cost associated with item-level RFID implementations. It bridges our pioneering EAS and RFID expertise, offering major improvements in retail store operations and ultimately an enhanced customer experience. We anticipate that the Sensormatic iREAD platform will result in a significant increase in RFID uptake in the retail sector."

About ADT Security Services

Celebrating its 133rd anniversary, ADT Security Services, a unit of Tyco International, is the largest provider of electronic security services to more than seven million commercial, government and residential customers worldwide. ADT's total security solutions include intrusion, fire protection, closed circuit television, access control, critical condition monitoring, electronic article surveillance, radio frequency identification (RFID) and integrated systems. ADT's Web site address is <http://www.adt.com/wps/portal/adt/global/>.

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