World's First ``Hybrid Scanner'' Opens Door for Stores to Read High-Tech Tags at Checkout

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NCR prototype scanner includes Alien Technology RFID reader to read "smart labels" as well as bar codes

The world's first "hybrid scanner," capable of reading radio frequency identification (RFID) tags as well as bar codes at the store checkout, was unveiled today at a trade show in Chicago.

The prototype device - a scanner from NCR Corporation (NYSE:NCR) that includes an RFID reader from Alien Technology Corp. - is being demonstrated during the Frontline Solutions Expo, at McCormick Place in booth #329.

Also known as "smart labels," RFID tags are tiny memory chips with antennas that can transmit electronic product codes (EPC) containing data about the items to which they are attached.

Already familiar to drivers automatically paying bridge, tunnel and turnpike fees or buying gasoline by passing a key fob over the pump, RFID technology is also being tested in warehouses and distribution centers. The hybrid scanner paves the way for tests of RFID tags on individual consumer items in stores and may prove a step in the eventual migration from conventional bar codes to RFID tags on all packaged goods.

NCR is a leader in retail store automation technology. Alien is a pioneer in designing very small microchips and assembling them in very large quantities, both of which are required to provide low-cost RFID tags.

"The concept of RFID item-level marking is now becoming a real possibility, thanks to our exclusive technique for producing ultralow-cost RFID products," said Tom Pounds, vice president of marketing and business development for Alien. "However, bar codes will not disappear overnight. In fact, bar codes and RFID tags are likely to coexist for many years, even decades."

NCR will use the prototype scanner initially for concept refinement, and the company anticipates feasibility testing by a major retailer within a year.

"The hybrid scanner will allow companies to evaluate the effectiveness of the EPC network without disrupting their current bar code-based system," said Kevin Ashton, executive director of the Auto-ID Center (www.autoidcenter.org), headquartered at the Massachusetts Institute of Technology (MIT) in Cambridge, Mass. "This is another essential step that moves retailers and manufacturers closer to implementing the EPC network within their supply chains."

Both NCR and Alien are technology board members of the Auto-ID Center, a global research program that involves developing a universal, open standard for identifying products and tracking those products from one company to another and one country to another. The center's work is supported by more than 60 global organizations and companies, including Gillette, Johnson & Johnson, Procter & Gamble, Unilever and Wal-Mart.

NCR also is an active participant in the Uniform Code Council (UCC), which establishes and promotes product identification standards. UCC was also instrumental in establishing the Auto-ID Center.

NCR introduced retailers and consumers to bar code scanning in 1974, installing the first scanner in an Ohio supermarket.

"Item-level RFID tagging will eventually change the world and the way we know retailing" said Pierre Abboud, vice president and general manager for NCR RealScan(TM), the company's bar code scanner line. "Given our history of innovation in retail technology, as well as our involvement in key industry organizations, it's only natural for NCR to take a leading role in this exciting evolution."

The hybrid scanner is an NCR RealScan 7875 scanner/scale with an Alien Technology RFID reader inside. The Alien RFID reader is designed to be compatible with draft specifications developed by the Auto-ID Center.

To the cashier and consumer, the appearance and operation of the hybrid is identical to bar code scanners already installed in most stores. Data from the bar code or data from the RFID tag - or both - are transmitted to in-store computers via the retailer's existing network.

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About Alien Technology Corp.
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Based in Morgan Hill, Calif., privately-held Alien Technology Corp. (www.alientechnology.com) is a designer and manufacturer of Radio Frequency Identification (RFID) products targeted at the enormous market opportunity for ultralow-cost and high-volume wireless identification, transaction, tracking, and sensor applications. Alien will meet market requirements using its patented Fluidic Self-Assembly (FSA) process. FSA is a unique and proprietary manufacturing process that allows for exceptionally low cost and precise placement of huge numbers of integrated circuits in a massively parallel process.

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About NCR Corporation
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NCR Corporation (NYSE:NCR) is a leading global technology company helping businesses build stronger relationships with their customers. NCR's ATMs, retail systems, Teradata(R) data warehouses and IT services provide Relationship Technology(TM)

solutions that maximize the value of customer interactions. Based in Dayton, Ohio, NCR (www.ncr.com) employs approximately 30,400 people worldwide.

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CONTACT: NCR Corporation
Robert (Kelly) Kramer, 770/623-7215
kelly.kramer@ncr.com
or
Alien Technology Corp.
Tom Pounds, 408/201-7470
tpounds@alientechnology.com
or
Auto-ID Center
Phyllis Kim, 314/982-7781
kimp@fleishman.com

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