

EAS Tag Recirculation™  
Optimal Apparel Source Tagging

**E-Tag™**

512 NW 77<sup>th</sup> Street

**Boca Industrial Park**

**Boca Raton, Florida 33487 USA**

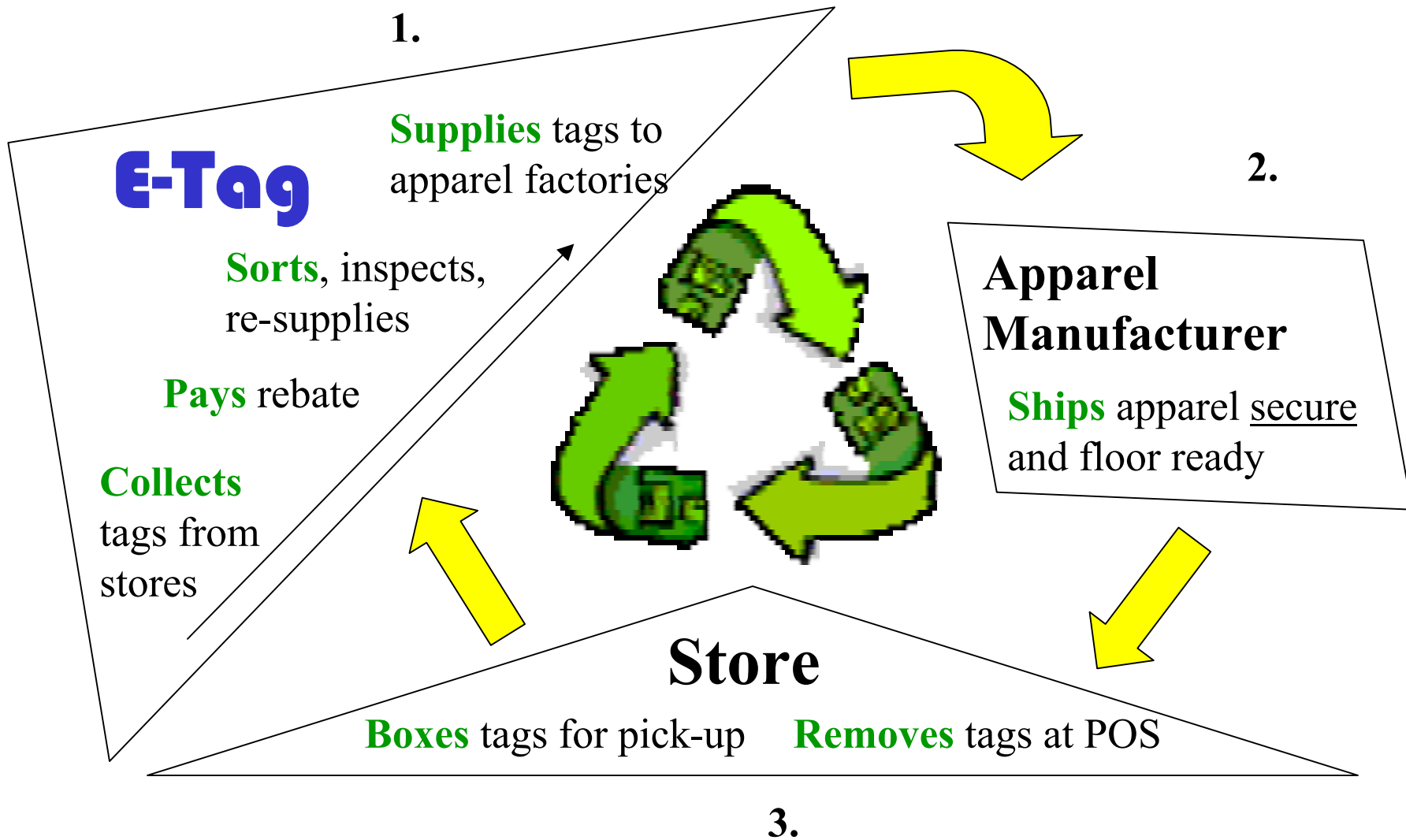
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# What is EAS Tag Recirculation™?

- Reusable EAS tags are affixed at the apparel factories anywhere in the world
- Tagged garments are shipped **FROM** the factories **TO** the stores
- Tags are removed at POS, collected by **E-Tag** and **RECIRCULATED** back to the factories
- A cash rebate is paid to the retailer based on the percentage of tag/pin returns and tag volume
- Tag manufacturing and all logistics are supplied by the **E-Tag** partners (UNISEN & TIC Group)

# EAS Tag Recirculation™ Process



# EAS Tag Recirculation™ Process (See Chart)

- **Supplies:** Retailer contracts with **E-Tag** to supply tags; instructs apparel manufacturers to order from **E-Tag**, and to affix tags during the apparel manufacturing process.
- **Ships:** Apparel manufacturer establishes a business relationship with **E-Tag**, and orders the appropriate tags. Tags are affixed at source and shipped to stores “secure and floor-ready”.
- **Removes & Boxes:** Merchandise is sold at POS, tags/pins are removed and boxed at the store.
- **Collects:** **E-Tag** collects and ships tags/pins to the sorting operation.
- **Pays:** Retailer receives a quarterly cash rebate based on tag/pin returns.
- **Sorts:** Tags are sorted, inspected, prepared for recirculation, and stocked for subsequent orders from apparel manufacturers.
- **Re-Supplies:** Process repeats



**Cashiers removing EAS tags from container and sorting into bins**



**Full box ready for pick-up**

# Why Recirculate?

- **Positive impact on “total cost of shortage”**
  - + Reduce or eliminate tagging labor expense
  - + No capital expenditures for EAS Tags
  - + Cash rebate for tag/pin returns and added tag volume
  - = **Lower net cost per unit than any other source tagging method**
- **The best possible security with source tagging**
  - Most secure protection (better than hangtags, pouches or disposable tags)
  - The retailer’s current inventory of EAS and ink tags may be included
- **Positive impact upon “floor ready” merchandising efforts**
  - Apparel arrives secure and floor ready. NO EXTRA PROCESSES.
  - Tags are affixed consistently, with minimal damage to garments
  - Protection for items during peak inventory periods
  - No consumer issues like “tag pollution”
  - Global solution. Tags supplied to manufacturers anywhere in the world.
- **Environmentally friendly**
  - No “landfill” issues, disposal or recycling fees
- **Proven model** – Over 5 years experience in Target & Kmart Australia

## Source Tagging Cost Comparison Per Garment

	<u>Recirculation</u>	<u>Disposable</u>	<u>Tag In-Store</u>
<u>Buy</u> the tag	12¢	12¢	3¢*
<u>Use</u> the tag (Affix, Remove, Handling, Disposal)	<u>4¢</u>	<u>4¢</u>	<u>17¢</u>
<b>Total</b>	16¢	16¢	20¢
Cash Rebate	<u>(4¢)</u>	<u>0</u>	<u>0</u>
Net Cost per Garment	12¢	16¢	20¢

\* Tag cost, tax & opportunity cost dived by useful life (7 year life, 3 tunovers per year)

## **E-Tag** Partners (1)

- **UNISEN:** Supplies EAS systems, tags and accessories to retailers in over 45 countries.
  - Major clients include Macy's, Bloomingdale's, Polo, Charming Shoppes and Carrefour
- **TIC Group:** Supplies EAS Tag and apparel hanger recirculation services to the Target and Kmart divisions of Coles Myer, Ltd.
  - It's US Division supplies hanger logistics services to Goody's.

# E-Tag Partners (2)

**E-Tag** is a joint venture between UNISEN ([www.unisen.com](http://www.unisen.com)) and TIC Group ([www.ticgroup.com.au](http://www.ticgroup.com.au)). The combined companies have over 3,000 employees and operate support locations in Hong Kong (2 sites supporting Macau, Southern China and the sub-continent); Shanghai (2 sites supporting mainland China); India; three U.S. locations - Los Angeles, Boca Raton and Atlanta, Australia (supporting the Pacific Basin); UK and Belgium (supporting Europe). In 2007, additional facilities will open in Bangladesh, Sri Lanka, Vietnam, the Middle East and South America.

**UNISEN**: Since 1994, UNISEN has specialized in developing Radio-Frequency (RF) and Acousto-Magnetic (AM) plastic tags compatible with Checkpoint, Sensormatic, and other branded EAS systems and detachers. UNISEN also produces its own line of benefit/denial ink tags - widely used by many retailers to create an effective deterrent against shoplifting.

**TIC Group**: TIC Group looks at the entire life cycle of a product from post-production through to distribution, merchandising and eventually final disposition. This approach enables retailers and suppliers to drive down costs while maximizing the value of that product at each point within its life cycle. TIC Group's Product Life Cycle Services Include: order processing, asset salvage and recovery, hanger recycling, EAS tag recycling, Reverse Logistics® management, freight management, in-store merchandising, product rework/ remanufacturing, asset recovery management, and customized software solutions.

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**E-Tag** Partners

