

## **IBM Wins First of a Kind RFID Project for SMB, Schiff Nutrition**

Friday February 23, 9:30 am ET

### **IBM Services and Software Give Mid-Sized Manufacturer Competitive Advantage**

ARMONK, NY--(MARKET WIRE)--Feb 23, 2007 -- Schiff Nutrition International (NYSE:WNI), a U.S.-based manufacturer of vitamins and nutritional supplements, and IBM (NYSE:IBM) today announced a new Radio Frequency Identification pilot to better anticipate current and future customer needs and improve efficiency. This makes Schiff the first mid-size manufacturer to execute such a program, giving it a competitive advantage in the market and illustrating that RFID is sustainable for small- and medium-sized businesses.

After researching RFID technology, Schiff turned to IBM Global Services and Business Partner, OATSystems, for the initial design, testing and implementation of their RFID infrastructure. Remaining compliant with retailer mandates while also having a strategic vision of extended uses of the technology, Schiff required an RFID partner with deep expertise in integration and open standards. It chose OATSystems' tag@source solution, OATxpress, and IBM's WebSphere RFID Premises Server as middleware, which forms the foundation of a flexible and scalable end-to-end architecture. OATSystems' solution platform will enable Schiff to go beyond tagging to monitoring new product introductions, promotions and out-of-stocks with Real-time Promotion Execution and Shelf Availability.

"Improving operational efficiencies within the four walls of a Schiff-owned and operated distribution center was not enough. Schiff wanted a solution that not only offered enhanced productivity, but was also interoperable with other supply chain partners, highly scalable and replicable for future customers and their unique specifications," said Scott Burroughs, Sensors & Actuators Solutions Executive, IBM Software Group. "IBM and Business Partner, OATSystems deliver services and solutions that promote business evolution and efficiency, so SMBs can focus time and resources on the innovation that will advance their business capabilities."

To begin, IBM Global Business Services conducted an RFID Solution Development Workshop to educate Schiff's staff on the technology and customize its solution to align with current business processes. To ensure smooth running of Schiff's order-fulfillment operations, IBM Global Services will continue to deliver services through 2007. Schiff also had full access to IBM's RFID Lab and Business Partner network to address any issues of physics and to achieve the highest read rates.

"We turned to IBM for their RFID testing facilities, expertise in software and data integration and extensive partner network -- they could deliver the whole package, and did, on time and below budget," said Rod Farrimond, Manager Business Analysis, Schiff Nutrition. "Access to IBM's testing labs was a major differentiator for us when deciding on an RFID technology partner."

Made in IBM Labs

IBM's worldwide network of research and development laboratories is driving the birth and ongoing growth of some of the world's most promising emerging technologies -- technologies that have the potential to one day transform the way we all live and work. At IBM's RFID testing facility in Raleigh, North Carolina, Schiff was able to test out which combinations of tags and readers worked best for its products, and perfected the use of RFID on mixed pallets, while spinning them in a pallet wrapper. This enables the seamless continuation of the supply chain, without slowing it down to read the tags, a critical requirement for Schiff. Schiff is able to read

mixed pallets, spinning in a pallet wrapper, 100 percent of the time and gets read rates of 97 percent at the retailer, much higher than the industry average.

This is another example of IBM's push to further the adoption of advanced telematics technologies -- sensors, actuators, RFID and other networked devices -- that link organizations and people for economic growth, improved healthcare and education, and enhanced security and safety.

For more information about IBM and its RFID solutions, please visit:  
[www.ibm.com/solutions/businesssolutions/sensors](http://www.ibm.com/solutions/businesssolutions/sensors)

#### About Schiff Nutrition

Schiff Nutrition International, Inc. develops, manufactures, markets and distributes branded and private label vitamins, nutritional supplements and nutrition bars in the United States and throughout the world. To learn more about Schiff, please visit the web site [www.schiffnutrition.com](http://www.schiffnutrition.com).

#### About OAT ([www.oatsystems.com](http://www.oatsystems.com))

OATSystems, Inc. is the recognized RFID solution leader with software that empowers businesses to achieve competitive advantage from radio-frequency identification (RFID). As a pioneer in the development of RFID technology, OAT has been setting the standards in RFID for over half a decade and is responsible for industry firsts that include the largest scale and largest scope of deployments, as well as the most innovative approaches to providing enterprise-wide RFID solutions. OAT's multinational client base consists of over 75 customers in retail, CPG, consumer electronics, manufacturing, life sciences, aerospace and defense. Headquartered in Waltham, MA, OAT has offices in Austin, Chicago, London and Bangalore. To learn more about the company's latest developments, visit the website at [www.oatsystems.com](http://www.oatsystems.com).

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