

Supermarket groups eye UXC's ILID technology

UXC Limited's subsidiary, ILID (pronounced "eyelid") has achieved a significant milestone in the commercialisation of the ILID electronic shelf labelling system. The company has negotiated its first-ever complete installations of the ILID Solution in supermarket outlets.

ILID has signed two new Australian contracts, the first for Foodland Associated Limited's Action supermarket in Mirrabooka, Western Australia, the second for Ritchies IGA supermarket in Hastings, Victoria. The Foodland installation involves over 20,000 ILID electronic labels throughout the supermarket outlet. The store has been live since early November, and is reporting ever-increasing process improvements week by week. The impact of the ILID Solution is being carefully monitored, with periodic customer interviews to ensure there are no negative implications. Ritchies is currently installing over 18,000 ILID electronic labels at Ritchies Hastings, with the installation over 90% complete. Staff are excited by the new concept, and customers are happy with the guaranteed up-to-date prices.

The Ritchies contract was negotiated jointly with Fujitsu Australia, which is acting as a non-exclusive distributor for ILID. Although these are the first supermarket installations of ILID technology, ILID has installations in place at several other sites. Two of these are at Kmart outlets at Chadstone and Burwood, Melbourne, Australia. These two installations consist of over 40,000 labels each, ranking them amongst the world's largest electronic shelf labelling installations. ILID electronic labels are also operating successfully in C-Gro Bremen Cash & Carry, Germany and IGA Coldstream, Victoria, Australia. Several other installations are either planned or underway globally.

All installations to date have performed well and met all expectations.

UXC executive chairman, Mr Geoff Lord, said today the breakthrough with supermarkets was an important step in commercialising ILID technology. Both installations are important. The Foodland installation is a trial of the ILID solution within their environment, and given the size of the group, if it proves successful, there is considerable potential for additional installations.

If the Ritchies IGA pilot performs to expectation, the intention is that Ritchies will roll out installations through its chain of more than 30 independent supermarkets. Many other Australian Independents are watching this installation closely.

The ILID system allows pricing to be quickly changed from a central location, ensuring accurate and efficient shelf prices. As well as displaying price information, ILID electronic labels can alert shoppers to promotions and other special in-store events. Major retail chains and franchise operators that carry a large number of products in multiple outlets stand to benefit most from the ILID system. Store staff can also use a remote control device to access store management information held within the electronic labels. Each label uses a dedicated micro computer to process and store information.

ILID is the only system in the world that uses the fluorescent lighting system within the stores as its power source, an Australian invention that is patented in 23 countries. Other systems use radio frequency, infra-red or hard wiring. The ILID labels are very robust and moisture-resistant to allow installation in refrigerators, freezers and other harsh environments.

Mr Lord said UXC was looking at packaging a range of funding options that would enable retail outlets to install the ILID system without having to make a substantial capital outlay upfront.

ABOUT UXC LIMITED

UXC Limited is an S&P / ASX 300 listed Australian business solutions company that has grown its market capitalisation from some \$7 million in 1998 to over \$110 million today. UXC Limited offered a dividend yield of over 6.25% fully franked in 2003, and expects to at least maintain the current dividend rate. Revenue is running at an annual rate exceeding \$180 million and the group employs more than 1,000 employees. The company has substantial resources with which to fund further acquisitive growth.

UXC provides its services through three divisions:

Utility Services Group, which is engaged in asset and data management for utilities, including electricity distribution asset inspection, management and maintenance services; the provision of utility meter installation and reading services; related data management and GIS services; mobile telephony and industrial design;

Business Solutions Group, which is involved in consulting, implementation and integration, application, and infrastructure services, including knowledge management; project and change management; CRM, ERP, financial and business information applications; technology architecture; IT security; and data storage and management;

Intellectual Property Ventures Group, which is concerned with identifying, developing and commercialising intellectual property to realise associated capital gains.

ABOUT ILID

ILID (pronounced "eyelid") specialises in the design & manufacture of electronic shelf labels (ESL), using ILID's patented communications technology.

ESLs benefits to retailers include flexible, accurate, up-to-date pricing, significant savings in labour, and delivery of supporting information to the shelf-edge. The existing lighting is used to broadcast this information to the shelf labels, simplifying installation, and minimising the overall cost of the solution. ILID is a unit of UXC Limited.

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