



Retail giant METRO Group selects UPM Raflatac Gen2 RFID inlays for groundbreaking pilot project in China

(UPM Raflatac, Tampere, December 5, 2006) - UPM Raflatac, a leading RFID tag and inlay manufacturer, today announces that it is taking part in the largest retail RFID pilot project in China. The company has been selected by retail giant METRO Group to supply its Rafsec G2 ShortDipole RFID inlays for an innovative pilot scheme that will see products tracked along the supply chain from China to Germany.

UPM Raflatac will provide its EPC Gen2 UHF tags for the METRO Group's pioneering project "Advanced Logistics Asia". The inlays, converted into four-inch by six-inch labels by **RFID System and Supplies Limited (RSS)**, will be tested at package level using different product categories. The RFID tagged packages will be monitored as they are shipped from the consolidation center in China to METRO operations in Germany.

"This is a very exciting time for us," comments Edward Lu, UPM Raflatac's Business Development Director, Asia. "Although only at the pilot stage, the potential of this project for us as a company is clearly evident. Being chosen by METRO Group emphasizes both our expertise in supporting large-scale projects and the undeniable quality of our RFID inlays."

The METRO Group is leading the way in its use of RFID technology to streamline and drive down costs in its supply chain management processes. The retailer now wants to extend the use of the technology to where the supply processes begin – the manufacturer.

UPM Raflatac will work alongside RSS, METRO Group and ADT Hong Kong, Tyco Fire & Security to ensure the China tests are successful.

For further information please contact:

Mr. Edward Lu, Business Development Director, RFID, UPM Raflatac, tel +65 9173 0884

About UPM Raflatac

UPM Raflatac is a world-leading supplier of pressure sensitive labelstock for a wide variety of needs in product and information labeling. In addition, the company is at the global forefront in the development and high-volume production of radio frequency identification (RFID) tags and inlays. UPM Raflatac has around 2,300 employees and annual sales of approximately EUR 860 million in 2005. The company has a global service network consisting of 11 factories on five continents and a broad network of terminals and sales offices worldwide. UPM Raflatac is part of UPM. Further information is available at www.upmraflatac.com.