



Press release – for immediate distribution

Innovative new RFID application  
**KRUPACK PACKAGING INTRODUCES THE *HIDE-PACK™* SMART BOX,  
A FIRST IN THE CANADIAN PACKAGING INDUSTRY**

*By improving the traceability of products and eliminating the paper label,  
Krupack's innovation could become the new industry standard*

**MONTREAL, OCTOBER 20, 2008** – Like a skeleton key that opens any lock, Krupack Packaging's new *HIDE-Pack™* smart box, with radio frequency identification embedded within the structure, looms as the possible solution to many issues in the packaging and retail industry. Delivering enhanced efficiency throughout the supply chain, better product traceability and significant cost reductions, Krupack's smart box is as revolutionary in the industry as the introduction of barcodes in the early 1970s.

This new *RFID* application earned the 2008 Innovator of the Year award at the *Association of Independent Corrugated Converters* annual convention held in Atlanta, Georgia on September 26.

### **Significant benefits**

"There are considerable advantages to using smart boxes containing microchips," states Rob Latter, Vice President, Containerboard Division, Krupack Packaging. "These advantages include enhancing the efficiency of the supply chain, reducing costs associated with inventory handling, increasing order accuracy, reducing losses due to theft and piracy and simplifying product recalls."

Currently, companies have the choice between two modes of identification and information storage on the boxes in which their products are packaged: the manual application of *RFID* labels or the inline printing and application of the labels. The first procedure, known in the industry as the *Slap & Ship* method, is labour intensive and can only handle relatively small volumes. The second approach, *Print & Apply*, involves the implementation of an infrastructure parallel to the supply chain and requires major capital investments.

Unlike the label applied outside the box, the *HIDE-Pack™* microchip is inlaid within the structure of the box when it is made, providing an unmatched protection against damage and moisture and an unrivalled reliability because the inlaid chip is not visible either inside or outside the box. As a result of this process the identification tag of the box and its contents is ready to be programmed when the box is delivered. Krupack can also pre-encode the boxes before they are shipped, thereby eliminating the need for the customer to do it.

Overall, companies that use these smart boxes can expect enhanced efficiency and potential savings of up to 35% of the costs associated with using either of the *RFID* systems currently on the market.

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### **A comparison that speaks for itself**

The comparison between barcodes and radio frequency identification speaks volumes about the progress this recent technology provides. “Unlike packaging that has a barcode label, packaging with a microchip does not have to be in the reader’s sightline in order to be read,” explains Rob Latter. “Radio frequency identification also enables you to do hundreds of simultaneous reads, while barcode readers only allow you to do one at a time. When you consider this in terms of operational efficiency, there are major advantages to using smart boxes.”

### **Environmentally friendly technology**

Another decided advantage with Krupack’s new smart boxes is the ecological aspect. The microchip that is used runs in a passive mode, which means it uses no energy and is only activated by a radio signal from the transmitter. The packaging is also 100% recyclable, a feature that customers are increasingly seeking.

### **About Krupack Packaging**

Krupack Packaging is a company that specializes in the design and manufacture of quality, innovative and 100% recyclable packaging products. Its plants in LaSalle (Quebec) and Brampton (Ontario) produce containers for food and beverages, dairy products, meat, fruit, vegetables, flowers, chemicals, textiles and clothing. They also make corrugated cartons for large electrical appliances, auto parts and other industrial products. Krupack Packaging is a division of Kruger, a leading pulp and paper producer of publication papers; paper products for home and industrial use; forest and wood products, linerboard from 100% recyclable fibres; green and renewable energy; wines and spirits; and it is one of the main paper and board recyclers in North America. Kruger operates plants in Quebec, Ontario, Alberta, British Columbia, Newfoundland-Labrador, the United States and the United Kingdom, and employs 9,000 people.

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