

February 28, 2006

Kathie H. Bulson
VP of Business Development
TAG Company US LLC
6278 N Federal Hwy #318
Fort Lauderdale, FL 33308

Dear Kathie,

Thank you for the opportunity to work with you and the TAG Company and provide you with our independent testing and analysis of the TAG Company's RF EAS tags and labels. As you will see from the contents of our report, we tested detection sensitivity for all tags and labels provided and deactivation sensitivity for all labels provided.

Also included in this report are our subjective but independent analysis and an overview of our conclusions based on our tests, our analysis and our opinions.

It is important to note that, while the TAG Company engaged KRI to be as objective as possible in our evaluation (and we definitely were), our conclusions based on our findings show that TAG Company labels were as good as, and in some cases superior to, the labels of the competition.

Please do not hesitate to contact me with any questions you may have regarding this report. We look forward to bring of assistance to you in the future.

Sincerely,

King Rogers
Executive VP

Overall Evaluation Conclusions

The performance of the Tag Company labels in the detection testing results analysis was either just as good as or better than the competitive tags when compared on an “apples-to-apples” basis. The pick rate at the various widths and heights in the various positions of carry makes labels from The Tag Company a very good EAS source alternative, especially when one considers the simplicity of system installations and on-going remote diagnostics capabilities.

Similarly, the deactivation testing, analysis and conclusions support our positions that in an everyday active retail environment the deactivation of the Tag Company labels are very competitive with the best of the breed and superior to all others.

Respectfully submitted:

King Rogers
KRI