



Singapore-invented Technology Set To Revolutionise Security for Europe's Retail Industry

Equation Group signs contract with European market leader in consumer electronics retailing

Singapore, 20 July 2010 – Equation Corp Limited via its subsidiaries, Disa DigitalSafety Pte Ltd and Disa DigitalSafety GmbH (collectively known as the “Equation Group”), has signed an agreement with Germany’s Media Markt Management GmbH and Saturn Management GmbH (collectively known as “Media-Saturn”) to implement a Singapore-invented technology DiSa Anti-Theft System (“DiSa”) throughout their 375 stores in Germany.

Media-Saturn is the German and European market leader in consumer electronics retailing. Media Markt and Saturn are independent German chain of consumer electronics retail stores that are under the same umbrella of Media-Saturn-Holding GmbH (“MSH”). MSH currently has altogether over 830 stores within 16 European regions, with a combined net revenue of Euro 19.7 billion for 2009.

Media–Saturn decision to implement DiSa in their 375 stores nation-wide in Germany signifies their confidence in DiSa for the diverse German retail market.

After thorough consideration, Media-Saturn have decided to adopt DiSa as it is the world’s first anti-theft protection system where retailers do not need to do anything, as compared to the current RFID (Radio-Frequency Identification) or plastic box solutions. Media-Saturn retails consumer electronic products from major suppliers such as Samsung, Apple, Sony and Philips. Consumer electronic products will be protected with DiSa before being placed on the shelves of Media-Saturn stores.

Suppliers to Media-Saturn have to adopt DiSa Codes which will be embedded at the manufacturing stage. Retailers, in this case, Media-Saturn, will install a one-time DiSa Activator to unlock all DiSa-protected products sold. This 2-pronged, water-tight approach will significantly reduce pilferage.

The endorsement from Media-Saturn is a huge milestone for the Equation Group. Such a business model which uses DisSa’s patented technology, will generate recurring income from the suppliers. Every DiSa Code embedded into suppliers' products, shipped from suppliers' warehouse to Media-Saturn stores, will be charged a license fee by the Equation Group.

"DiSa is revolutionizing the security landscape in the electronics retail industry. I envision that if we can help Media-Saturn protect 30% of their high value items, it will give a boost to our Group's bottom line. DiSa income is recurring, not cyclical although it's in the electronics industry." said Eddie Chng, Chief Executive Officer of the Equation Group.

According to 2009 Global Retail Theft Barometer, worldwide shrinkage (stock loss from crime or waste expressed as a percentage of retail sales) for all items amounted to about US\$115 billion which is equivalent to 1.43% of retail sales. Europe’s share of the shrinkage was about US\$44 billion and USA’s share was about US\$46 billion. Pilferage can occur at the retail level, internal enterprise and in the transit logistics level. DiSa can help retailers worldwide fight pilferage and boost business profitability in consumer electronic products.

With the success in Germany, the Equation Group is targeting to bring DiSa to the rest of Europe, UK and the US markets.

About the Group and DiSa

Equation Corp Limited is an investment holding company listed on the SGX-ST Catalist. With its group of companies, Equation are engaged in the business of recycling and trading of electronic waste products and scrap metals, sales and distribution of electronic products and property investment and development.

DiSa DigitalSafety Pte Ltd is a wholly-owned subsidiary of Equation, and is a one-stop cost effective electronic contract manufacturing service provider with full range of services such as research and design, program management, process engineering, supply chain management, assembly and product integration and production lines commissioning in various industries.

DiSa DigitalSafety GmbH (“Disa GmbH”) is a 44.3% owned subsidiary of Equation in Germany. It currently acts as the technology, service and marketing centre for the Group in Europe catering for the DiSa business. Disa GmbH was audited and awarded by the certification body of TUV Rheinland Secure iT GmbH for its IT infrastructure on secure transmission and processing of the application data for the “anti-theft system for digital devices”.

DiSa combines the principle of conditional access and rights management to create an electronic elements (“DiSa Codes”) within an electronic product that affects its functionality. DiSa generally relates to mechanism and methods for minimizing or eliminating the loss of electronic products due to theft and pilferage. It is an end-to-end solution which allows small electronic devices to be encrypted with a security code. DiSa is capable of protecting any electronic products ranging from camera, USB thumb-drive, Notebook, MP3, mobile phones etc. DiSa was awarded two certificates for its innovative features at the 2009 Plus X Award Technology in Cologne, Germany.

MSH engages in the operation of consumer electronics stores in European countries. It offers consumer electronics, telecommunication equipment, entertainment electronics, computers, software, and car hi-fi and domestic appliances. MSH is headquartered in Ingolstadt, Germany, with stores in Austria, Belgium, France, Germany, Greece, Hungary, Italy, Luxembourg, The Netherlands, Poland, Portugal, Russia, Spain, Sweden, Switzerland and Turkey. MSH operates as a subsidiary of Metro AG which is listed on the Frankfurt Stock Exchange. Metro AG is one of the largest international retailing companies in the world with sales revenue of Euro 66 billion in 2009 and operates around 2,100 stores in 33 countries spread over Europe, Africa and Asia.

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