

Evolution Robotics Retail Releases New Version of its LaneHawk™ Visual Scanner for Microsoft Windows Server 2003

State-of-the-Art Technology Used by Multiple Grocery Retailers to Combat Bottom-of-Basket Losses is Now Available to Microsoft Windows Server Users

PASADENA, Calif. — January 9, 2008 — Evolution Robotics Retail, Inc. today announced that its LaneHawk Visual Scanner solution to prevent bottom-of-basket (BOB) losses is now available for the Microsoft Windows Server 2003 server operating system. To date, LaneHawk has been a Linux-based platform.

Several thousand stores are currently under contract with LaneHawk. Retailers using LaneHawk have reported decreases in BOB losses by 80-90 percent since deploying the technology.

BOB loss accounts for 0.1% of front-end sales, which equates to ten dollars per lane, per day in a typical store. Prior to LaneHawk, most efforts to reduce BOB loss have depended on cashiers visually checking the bottom of customers' carts — using mirrors, stickers, training, or other detection devices — and then manually scanning those items. With current pressure to increase checkout productivity, it is difficult for cashiers to consistently check for BOB items. Using its patented visual pattern recognition (ViPR®) technology, LaneHawk is able to detect, identify, and present BOB items directly to the point of sale, enabling cashiers to add those items directly to the transaction.

"We are pleased to be working with the team at Evolution Robotics Retail to extend the availability and benefits of the LaneHawk solution to our retail industry customers," said Geoff Thomas, general manager of Microsoft's U.S. Retail and Hospitality Group. "The integration of the LaneHawk visual scanner solution with the advanced performance, platform reliability and manageability features of Windows Server 2003 provides retail employees with the tools they need to increase productivity and reduce losses, while driving down IT costs and improving the effectiveness of their business operations."

"We are excited to be working with Microsoft, delivering access to LaneHawk to our mutual customers and giving them a solution that can have such a significant and immediate impact on their bottom line," said Alec Hudnut, Chief Executive Officer of Evolution Robotics Retail. "This alliance with Microsoft will expose many new customers to LaneHawk and is an important step for both companies as we strive to offer retailers the most advanced software tools."

About Evolution Robotics Retail, Inc.

Evolution Robotics Retail, Inc. is based in Pasadena, CA, and develops intelligent products and solutions for the retail industry based on ViPR®, its visual pattern recognition technology. The company's flagship product is LaneHawk™, a Visual Scanner for preventing Bottom-of-the-Basket (BOB) loss. ViPR, the technology behind LaneHawk, is installed in over 2 million machines worldwide. Evolution Robotics Retail is an operating company of Idealab, a creator and operator of technology businesses. (www.evoretail.com).

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