



CAPE SYSTEMS INTRODUCES ITS RFID APPLY AND COMPLY™ LABEL TAGGING SOLUTION

Wal-Mart and DOD Compliance Solution

South Plainfield, New Jersey (June 24, 2005) – CAPE Systems Group, Inc. (OTCBB:CYSG), a leading provider of software technology for packaging design, RFID asset tracking, pallet optimization, inventory and warehouse management, supply chain execution and order fulfilment, today announced the introduction of its RFID Apply and Comply™ labelling solution.

Apply and Comply™ is a simple, low cost, turnkey RFID labelling solution that gives users the capability to be instantly compliant with Wal-Mart, Target, Gillette, Best Buy and Department of Defense mandates, among others. Designed for companies that are facing RFID compliance mandates on low to mid volume products, the Apply and Comply™ product offers a complete portable solution containing all of the hardware, software, and equipment necessary to provide an out-of-the-box RFID compliance label tagging solution.

Among its many attractive features, Apply and Comply™ automatically generates EPC-compliant serialized RFID tags and Advanced Shipping Notifications (ASNs). The system intelligently prints either 4x2 or 4x6 RFID Labels depending on product or shipping container codes. Every tag is validated. If a tag is defective, a grid is printed across the bad tag and the system automatically reprints a new tag. This tag utilization feature allows users to monitor the percentage of printed good vs. bad tags. A further benefit of this product is that no direct interaction is required between Apply and Comply™ and existing legacy WMS and ERP systems. The mobility feature of this product eliminates the need for multiple systems for low volume applications. Furthermore, its easy touch screen design provides a user-friendly interface for warehouse personnel.

Brad Leonard, CAPE's Vice President for Worldwide Sales, commented, "Apply and Comply™ is a simple entry-level scan, print and apply solution for companies facing mandated RFID compliance requirements from major customers such as Wal-Mart, Target, Best Buy, Gillette, Tesco, Carrefours, Albertson's and the Department of Defense, to name but a few. This product is easy to install with a rich variety of user-friendly features at a very competitive price. A user's investment is protected as the system allows a migration path for future RFID standards. "

For more product information contact sales@capeystems.com.

About CAPE Systems

CAPE Systems is an international provider of supply chain management technologies. CAPE Systems offers a comprehensive range of software systems and tools, from packaging and pallet optimization software, to integrated warehouse and inventory management solutions, pick-to-light systems, RFID asset tracking and transportation management systems for enterprise wide and collaborative supply chain optimization. For more information about CAPE visit: www.capeystems.com.

Safe Harbor

Statements about the company's future expectations, including future revenue and earnings and all other statements in this press release, other than historical facts, are "forward-looking" statements and are made pursuant to safe harbor provisions of the Securities Litigation Reform Act of 1995. Such forward-looking statements involve risks and uncertainties and are subject to change at any time. The company's actual results could differ materially from expected results. In reflecting subsequent events or circumstances, the company undertakes no obligation to update forward-looking statements.

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