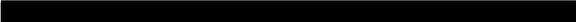


AlpVision SA
Rue du Clos 12
1800 Vevey
Switzerland


 www.alpvision.com

OPEN LETTER

To whom it may concern by the
implementation of an EU system for
traceability and security features
pursuant to Art. 16 of the
Tobacco Products Directives 2014/40/EU

To whom it may concern,

Referring to our contribution to the “*Targeted stakeholder consultation on the implementation of an EU system for traceability and security features pursuant to Articles 15 and 16 of the Tobacco Products Directive 2014/40/EU*” delivered July 31, 2015 which referred to the “*Analysis and Feasibility Assessment Regarding EU systems for Tracking and Tracing of Tobacco Products and for Security Features*” published May 7, 2015, we have to point out again the many mistakes and imprecisions regarding the security features and covert security basics in the “*Inception Impact Assessment – Implementing and delegated acts under Articles 15 and 16 of the TPD Directive 2014/40/EU*” document, updated July 5, 2016, and which is referred to in this public consultation.

In our July 31, 2015, contribution mentioned above (can be downloaded at http://ec.europa.eu/health/tobacco/docs/2015_tpd_co24_en.pdf), we exposed a detailed and documented list of mistakes.

In addition to our contribution, we would like to draw your attention to the fact that we had invited the persons in charge of this feasibility study at Sovereign Border Solutions to meet us for getting more information on a subject which is the core of the activity of our company since its creation in June 14, 2001. We also mentioned that we deliver covert security solutions to the tobacco industry since 2005 and that thanks to the technological progress, in particular the wide spread of smart phones, we constantly updated these solutions and today have billions of tobacco boxes per year efficiently and effectively protected against counterfeiting.

Our understanding was that this first report from Sovereign was considered as biased and not neutral, and the EU therefore ordered a second study. The person in charge of collecting information for this study, Mr. Mark R. Miller, CEO, CONCEPTIVITY, declared via an email dated June 22, 2016 that “*the European Commission has asked that we should not be meeting with individual solutions providers*”. This is totally incomprehensible from a pure methodology point of view, in other words to deprive the persons in charge of the implementation study of the more than ten years expertise of implementing security features for the tobacco industry!

Therefore again point out the persistent mistakes in the entire EUTPD consultation process and mention that by listening to those who have the best track record in the field of security features for the tobacco industry will avoid continuous propagation of basic mistakes and inaccuracies related to security features and in particular covert security features.

The two following pages are describing the basics of the covert security solution which is publicly available, as the detailed are kept secret to satisfy the basics of covert security which is “*secrecy*”.

With our best regards.

Nov. 1st, 2016
AlpVision SA



Tobacco Packaging Protection



PROTECTION

ANTI-COUNTERFEITING

ADVANCEMENT

PATENTED

AUTHENTICATION

AlpVision's exclusive product authentication features

- **Non-intrusive, totally invisible**
- **No production changes**
- **No additional consumables**
- **Instant product authentication - no special reading devices required**
- **Highly secure**
- **Industry proven**
- **The best security/price ratio on the market**

AlpVision Cryptoglyph®

AlpVision Cryptoglyph® is a digital invisible marking that is applied to tobacco and cigarette packaging using regular visible ink and standard printing processes (offset, rotogravure, flexo, laser, inkjet, etc.).

Simple and industry-proven, AlpVision Cryptoglyph is ideal for large volumes and multi-plant deployment. It is commercialized worldwide under license agreements as an entirely customizable turnkey computerized system.



How it works

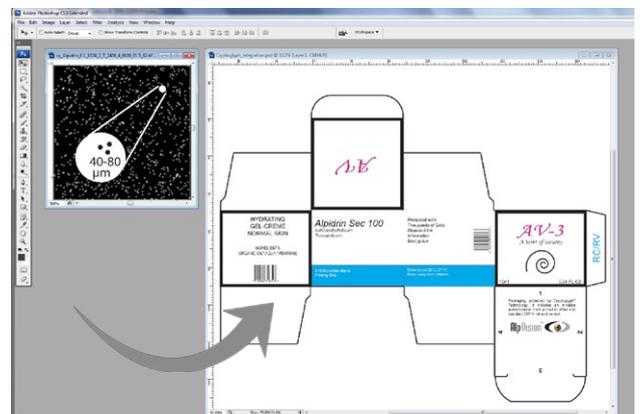
AlpVision Cryptoglyph is a digital image file that contains encrypted information. Integrated with prepress, the Cryptoglyph adds a pseudo-random pattern of invisible micro-holes (40 to 80 microns) into the standard varnish layer.

Cryptoglyph® integration

Non-intrusive and totally invisible, these micro-holes cover the entire surface of the packaging or label without changing its design.

Digitally encoded within the artwork, AlpVision Cryptoglyph can be easily integrated into any existing packaging or label printing process at zero production cost.

Highly secure, AlpVision's Cryptoglyph technology can only be deciphered with a 128-bit encryption key.



Non-intrusive and totally invisible, AlpVision Cryptoglyph is integrated into the packaging design.

Tobacco Packaging Protection

PROTECTION

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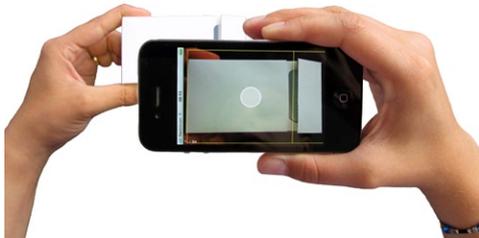
AUTHENTICATION

Detection devices

Unlike most covert anti-counterfeit features available on the market today, AlpVision Cryptoglyph does not require highly specialized equipment to be detected.

A standard office **scanner** can be used for a “genuine-or-fake” verification. For local authentication, install AlpVision’s exclusive authentication application on your computer. For remote authentication, upload the scanned image to your secured server. Whether local or remote, the “genuine-or-fake” result will be displayed within seconds on your computer screen.

A regular **iPhone** equipped with AlpVision’s custom product authentication application can also be used to verify the authenticity of a package. Working in real-time, verification usually takes less than 3 seconds, including time to pick up the package and position the iPhone over it. The application is also a powerful tool to perform market studies, announce product releases, promotional discounts, and upcoming news and events.



A standard **USB microscope** connected to a regular PC operating system can also be used to perform instant product authentication at a speed of 15 detections per second.



Tailor-made for large volumes and multi-plant deployment

As no additional consumables are required, AlpVision Cryptoglyph is especially well suited for large-volume, high-speed printing processes, such as rotogravure and flexography.

Turnkey solution

AlpVision provides an entirely customizable pre-configured turnkey solution that can either run on the client’s own platforms or be hosted through AlpVision. As part of its standard services, AlpVision also provides staff training and support.



To arrange an on-line demonstration or for any further information, please contact us:

Address Rue du Clos 12 | 1800 Vevey | Switzerland



Web www.alpvision.com

Address North American Regional Office | Sears Tower
233 South Wacker Dr., 84th Floor
Chicago, IL 60606 | USA

