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For Immediate Release

Zappos.com Expands its Kiva Order Fulfillment System to Accommodate Growth

Leading Internet retailer stays one step ahead of unit volumes by deploying 'just in time' pick-pack equipment

Woburn, Mass. – July 21, 2009 – [Kiva Systems](#), a developer of breakthrough mobile robotic solutions for [warehouse automation](#), today announced that leading online retailer [Zappos.com](#) has purchased significant additional capacity for its Kiva Mobile Fulfillment System. Zappos first installed Kiva's ItemFetch split-case picking solution in June 2008 to [pick, pack and ship](#) a variety of products, including shoes, apparel and accessories. The expansion at its Shepherdsville, Ky. fulfillment center is driven by unit growth from these product categories.

“With the Kiva system we can order additional material handling capacity less than three months before we need it to be operational. This gives Zappos unprecedented nimbleness in responding quickly to market developments,” said Craig Adkins, vice president of services and operations at Zappos. “With conventional automation, we would have to buy gear sooner and buy it in big, expensive chunks. In this economic climate, the ability to manage capital by deferring purchase of material handling equipment until the quarter it's needed is a huge advantage.”

Kiva's approach to [order fulfillment](#) uses hundreds of mobile robotic drive units that bring inventory on movable shelves directly to workers, allowing easy and efficient access to all inventory items at all times. Elimination of operator walking and waiting enables worker productivity that is two- to four-times higher than with other automated systems. What's more, because all the system components are mobile and modular, a Kiva-equipped distribution center has unprecedented flexibility when adding new products or expanding throughput—without disrupting ongoing operations.

Kiva believes that for Internet retailers, the fulfillment center is the store, and the Kiva Mobile Fulfillment System is a strategic advantage that transforms the fulfillment center into a truly optimized, competitive asset. [Internet retail fulfillment](#) has unique demands for perfect order accuracy and speed. The Kiva approach is ideal for eCommerce

fulfillment, allowing orders to flow directly from the Internet to the warehouse floor for immediate pick, pack and ship. In addition, Internet retail fulfillment has to be able to handle the 'long tail' business models that are built on making available a wider variety of merchandise than conventional retailers. Kiva's unique architecture makes it particularly well-suited to wide merchandise assortments, and is flexible enough that new merchandise types can be picked and packed using virtually the same equipment.

"Zappos' relentless growth is a tribute to its legendary customer service," said Mick Mountz, founder and CEO of Kiva Systems. "Kiva robots swing into action less than a minute after a customer order hits the Zappos website, cutting the total order cycle time to just twelve minutes. This greatly increases the likelihood that Zappos will delight customers with next-day delivery by getting even more orders out the door ahead of shipping cutoff-times."

About Kiva Systems

Kiva Systems, Inc. uses game-changing automation technology for distribution centers that helps companies simplify operations and reduce costs, while increasing strategic flexibility. Using autonomous mobile robots and sophisticated control software, the Kiva Mobile Fulfillment System enables extremely fast cycle times with reduced labor requirements, from receiving to picking to shipping. The result is a building that is quick and low-cost to set up, inexpensive to operate, and easy to change. For more information on Kiva Systems and its solutions, please visit www.kivasystems.com.

About Zappos.com

Established in 1999, Zappos.com has quickly become a leader in online apparel and footwear sales by striving to provide shoppers with the best possible service and selection. In 2008, the company's gross merchandise sales exceeded \$1 billion. Zappos.com currently stocks millions of products from over 1000 clothing and shoe brands. Zappos.com was recognized in 2009 by FORTUNE MAGAZINE as one of the "100 BEST COMPANIES TO WORK FOR", debuting as the highest-ranking newcomer to FORTUNE's 2009 list. More information about the company's customer service philosophy, unique company culture, and job openings can be found at <http://about.zappos.com>. More information about the "Zappos Insights" business membership program can be found at <http://www.zapposinsights.com>.