



For Immediate Release

Press Contacts:

Mitch Rosenberg
Kiva Systems, Inc.
(781) 305-5167

mrosenberg@kivasystems.com

Rob Skinner
Schwartz Communications, Inc.
(781) 684-0770

kivasystems@schwartz-pr.com

drugstore.com is the Latest eCommerce Retailer to Automate Order Fulfillment Operations with Kiva Systems

drugstore.com will pick, pack and ship customer orders for same day shipments using Kiva's warehouse solution

North Reading, Mass. – February 15, 2011 – Kiva Systems (www.kivasystems.com), a developer of game-changing mobile-robotic solutions that automate order fulfillment and distribution operations, today announced that drugstore.com (Nasdaq: DSCM) will implement a Kiva system to accelerate its eCommerce growth. The publicly traded internet retailer will use the Kiva solution to process orders for health, beauty and general merchandise items, allowing same day shipments and increased operational efficiency.

drugstore.com operates an online health, wellness and beauty store offering more than 50,000 non-prescription items. The Kiva solution will handle a diverse set of products including: cosmetics, toys, vitamins, hair and skin care, natural supplements, food, fitness gear, baby items and pet supplies. Kiva's unique approach will allow drugstore.com to [process orders](#) for all categories of merchandise using a unified and enhanced workflow system. Additionally, Kiva can quickly and accurately process single and multi-line orders for any items at any time without batching or waving, so those orders can be picked within minutes of customers completing their online shopping transactions.

“The Kiva automation solution will enable us to handle a wide variety of products in a very efficient manner. This highly accurate, one step order fulfillment process easily integrates with our existing technology,” said Jon Axelsson, vice president of supply chain, drugstore.com. “We considered more traditional material handling options, but we were impressed by this system's unique abilities. As we continue to expand operations, these units can scale to accommodate growth and also easily relocate to support the needs of the supply chain. When you compare Kiva's rapid order processing and ability to handle diverse merchandise to other alternatives, Kiva is the clear choice for our business.”

Kiva's innovative approach to [order fulfillment](#) uses fleets of robotic drive units that bring inventory on mobile shelving pods directly to workers, allowing easy and efficient access to all inventory items at all times. Unlike [traditional automation](#) such as conveyor, carousel, AS/RS, or A-Frames, Kiva can handle products of all shapes and sizes, and automatically brings products to operators exactly when needed. Kiva is a complete order fulfillment solution that encompasses inventory control, forward replenishment, [picking](#), packing, finalizing, shipping sortation and quality assurance that dramatically improves distribution center productivity, while simultaneously increasing speed, accuracy and flexibility.

Amy Villeneuve, president and COO of Kiva Systems, said, "drugstore.com's breadth of products and first-class customer service are a hit with consumers, and we are proud to be the foundation of its fulfillment operations, helping deliver that paramount selection and service into the future."

About Kiva Systems

Kiva Systems, Inc. offers game-changing [warehouse automation](#) solutions that help companies simplify operations and reduce costs while increasing strategic flexibility. Using hundreds of autonomous mobile robots and sophisticated control software, the Kiva Mobile Fulfillment System enables extremely fast cycle times with reduced labor requirements, from receiving to order picking to shipping—all without conveyor. The result is a building that is quick and low-cost to set up, inexpensive to operate, and easy to change or move. For more information on Kiva Systems and its solutions, please visit www.kivasystems.com.

About drugstore.com, inc.

drugstore.com, inc. (Nasdaq: DSCM) is a leading online retailer of health, beauty, clinical skincare, and vision products, whose portfolio of brands includes: drugstore.com™, Beauty.com™, SkinStore.com™, and VisionDirect.com™. All provide a convenient, private, and informative shopping experience while offering a wide assortment of more than 55,000 non-prescription products at competitive prices. The drugstore.com pharmacy is certified by the National Association of Boards of Pharmacy (NABP) as a Verified Internet Pharmacy Practice Site (VIPPS) and operates in compliance with federal and state laws and regulations in the United States.