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Latest Version of AIS AllocationXpert Tackles Retailers' Biggest Merchandising Challenges

*-- Software helps retail allocators adjust to changing merchandise strategies,
build a more attractive store presentation and improve inventory management --*

Boulder, CO and Chicago, IL – Retail Systems 2005, May 25, 2005 – Applied Intelligence Solutions, LLC (AIS) today announced the latest version of AllocationXpert™, business intelligence software that helps retailers drive higher sales and margins by replicating decisions of a company's top allocators. The updated version will help them to better place merchandise, improve store presentation and adjust to changing strategies and market conditions.

Unlike other commercially available software, AllocationXpert directly addresses the need to better place items in stores by "learning" from "best practice" methods of top allocators and helping all users to capitalize on that information to provide more profitable results. AllocationXpert can be used on top of existing systems and addresses the industry need to make more intelligent business decisions, as noted in a recent report by AMR Research. "Classical top-down merchandise management approaches do not adequately synchronize decisions across thousands of SKUs and stores, resulting in store assortments, space allocations and inventory levels that fail to match consumer demand." Source: Alexi Sarnevitz, *Advanced Retail Planning: Synchronize Merchandise Management to Demand*, *The AMR Research Alert*, November 10, 2004.

“AIS has promptly and directly addressed some of the critical pieces missing from allocation systems today,” said Jim Dixon, president and CEO of AIS. “Making the right allocation decisions is essential to improving inventory management and store presentation and driving higher sales and margins. AIS’ latest version makes significant strides to assist users in improving the quality of allocation decisions with these end goals in mind.”

Even months after deployment, AllocationXpert continues to learn from retail customers to identify dynamic factors in the decision-making process. The latest enhancements in version 1.4 further capitalizes on the engine’s ability to uncover key variables used by top allocators when shipping merchandise to stores, helping them to make better, more profitable decisions.

New features include advanced data analysis techniques to improve the quality of allocation decisions and real-time, automated methods to assist users in managing allocation environments. AllocationXpert 1.4 adds power to existing systems and processes in three key areas:

- **Improved Allocation Strategy.** AllocationXpert replicates the decision-making patterns of top allocators to better place merchandise in stores. With new, automated methods and filtering tools, the software assists users in assessing factors essential to improving store presentation, optimizing inventory levels and eliminating over-shipments.
- **Enhanced Analytical Tools.** AllocationXpert features a robust Graphical User Interface (GUI) that assists users in viewing final allocation distribution. The easy-to-use interface also gives users the power to examine multiple allocation scenarios, allowing them to compare and analyze allocation decisions in greater detail.
- **Data Management Tools.** AllocationXpert’s Virtual Store Clusters and Electronic Notes are just a few data management tools to assist users in adjusting to changing market conditions. With the ability to build and manage store groups on-the-fly, users have the power to improve placement decisions and ultimately drive higher revenues. Electronic Notes also give users quick access to store comments or instructions and preserve the “allocation history” of store anomalies to be used in future allocations.

About Applied Intelligence Solutions, LLC

Applied Intelligence Solutions, LLC (AIS) offers business intelligence solutions that replicate expert human decisions, providing firms the ability to automate and significantly improve the quality of decisions across their organizations. Improving decision quality yields significant improvements in top-line revenue, bottom-line profit and employee productivity. AIS is headquartered in Boulder, Colorado, with Research and Development facilities in Moscow, Russia. For more information visit the company’s web site at www.aisllc.com.

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