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***For Immediate Release***

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## Gordmans Moves to Phase Two of Markdown Optimization Implementation

*-- Applied Intelligence Solutions (AIS) real-time markdown technology results project up to 10.5% increase in margin improvements --*

**Westminster, CO, June 26, 2007** – Applied Intelligence Solutions, LLC (AIS), developer of next-generation intelligent software solutions, today announced that the first phase of the MarkdownXpert™ roll-out at regional retailer Gordmans has been completed and Gordmans is moving into phase two. MarkdownXpert™ was utilized to forecast Gordmans' broad assortment of softlines apparel and hardlines home décor at the item and store level during a three month test of a core group of departments. The most conservative results showed a 9.6 percent increase in margin improvement.

Optimizing markdowns at the store and item level represents an unprecedented capability to significantly drive top-line sales and bottom-line margins, taking into account every store's unique selling and traffic patterns. Completion of the first phase at Gordmans has proven the retailer's belief that purchasing the AIS markdown solution will significantly impact their capability to gain the most advantageous margin improvement.

“Gordmans rigorously analyzed all markdown vendors available in the market,” said Michael James, Chief Financial Officer. “We partnered with AIS because of the unique technology utilized in MarkdownXpert™, their capabilities to handle both apparel and non-seasonal goods, and their commitment to customer service. The results of the first phase are very promising and we're excited about the potential the solution has when it's rolled out to the entire company.”

A core group of softlines apparel and hardlines home décor was identified for the first phase of the roll-out and the methodology was designed to maximize margin on sales and expected margin on residual inventory. During the three month period, the AIS analytic team tuned the solution to calculate multiple markdown targets such as turnover goals for disparate merchandise, opportunity cost, and inventory turnover.

“We verified significant increases in gross margin in the test stores over the control stores by processing huge volumes of data that are otherwise never taken into consideration,” said Pavel Zelinsky, Chief Technology Officer, AIS. “It's exciting that the results demonstrate our solution’s capability to process extreme amounts of data at the item and store level, returning precise forecasts and recommendations well above the industry standard. Such a significant impact on increased margin just can’t be accomplished using a national markdown approach.”

#### **About Applied Intelligence Solutions, LLC**

Applied Intelligence Solutions, LLC (AIS) provides an intelligent software platform with the agility and range to meet critical demands of the contemporary retail enterprise. With three decades of expertise in forecasting, scalable algorithm development, pattern recognition, neural networks and other artificial intelligence, our technologies enable customers to boost revenue, minimize markdowns and improve profitability. Driven by a common predictive platform, the solution suite delivers best-practice solutions in assortment, allocation, replenishment, price and markdown, bringing retailers the opportunity to permanently improve the baseline of performance. AIS is headquartered in Westminster, Colorado. Research and development facilities are in Moscow, Russia. Visit us online: [www.aisllc.com](http://www.aisllc.com)

#### **About Gordmans, Inc.**

Gordmans features a large selection of the latest styles and name brands at up to 60 percent off department and specialty store prices every day. The wide range of merchandise includes apparel for all ages, accessories, footwear, home fashions, gifts, designer fragrances, fashion jewelry, bedding and bath, accent furniture and toys. Founded in 1915, Gordmans is a family and employee owned, privately held company that operates 63 stores in 15 states and is headquartered in Omaha, Nebraska. For more information about Gordmans, visit [www.gordmans.com](http://www.gordmans.com)

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