

Guess Partners with Apex Decisions for Markdown and Promotion solution: Pilot Proves Significant Financial Impact

Los Angeles, CA, 25-Apr-2007: Guess ([GES](#)), a leading specialty retailer of lifestyle collections of apparel and accessories for men, women, and children, based in Los Angeles, CA, announced today that it has concluded the pilot of Apex Decisions' Markdown Optimization solution. Following a significant financial impact from the pilot, Guess has decided to go live for all products in all stores with Apex's markdown solution integrated with promotions optimization.

Guess had considered alternative solutions in the marketplace but settled on Apex Decisions primarily because of their track record in providing guaranteed and measurable benefits. Guess was impressed with Apex's business analysis, business understanding and overall pilot and implementation methodology. It was also favorably inclined to Apex's low investment and low risk opportunity to truly measure the improvement in profitability while understanding the impact in the stores on inventory management and operations. "We see Apex Decisions' retail solutions as an important cog in our strategy to further grow the retail side of our business as our IT continues to align and grow our systems to better serve the needs of our retail business," according to Paul Marciano, Vice Chairman and CEO at Guess. Added Maurice Marciano, Chairman of Guess, "Our growth strategy of late has been centered on creating a strong brand and better assortment along with growing our international profile. We see Apex Decisions' retail solutions contributing significantly to our future growth as we move towards better managing our inventory in our fast changing fashion industry."

Apex Decisions analyzed two years of detailed history and presented the findings to Guess. Using this history Apex also selected two equivalent sets of stores. Equivalency was based on sales, margin, inventory turns etc. To evaluate Apex's solution Guess selected one set of stores as "Test" and designated the other as "Control". "Test" stores received Apex's markdown recommendations for an extended period of time. "Apex has been extremely flexible in folding in our highly specific business rules and practices into their solution. We were delighted by their problem-solving attitude and flexibility making the solution work for us in our business environment, without requiring a lot of our resources in the systems or the merchant group. This fits in very well with our high growth strategy that requires an agile and adaptive IT infrastructure," said Mike Relich, CIO, Guess. Lynn Burns, VP Planning and Allocation at Guess, added, "Having worked closely with Apex Decisions during the markdown pilot, I was very pleased with Apex accounting for all our business rules and operational practices in to the markdown solution. All the markdown decisions made sense and we are not overriding the solution other than to create promotional events. We are looking forward to Apex providing us with promotional advice integrated with the markdown solution."

The pilot made significant impact on the bottom line with an even larger promise of benefits after the rollout when promotions are integrated with the markdown solution. "Apex Decisions was very focused on making sure that they delivered promised benefits.

We are expecting to add another \$20 Million in additional gross margin dollars by implementing the markdown solution in the Retail stores. I am looking forward to a strong partnership with Apex Decisions as we move forward on other fronts such as promotions optimization to further contribute to our top and bottom line. The results of the pilot have been very encouraging,” said Carlos Alberini, President and COO at Guess.

“We are delighted to be a strategic partner of Guess and will do our utmost to maximize the financial benefits for Guess thru our solutions,” said Subhash Gupta, CEO and founder of Apex Decisions.

[Guess](#)’ products include collections of denim and cotton clothing, including jeans, pants, overalls, skirts, dresses, shorts, blouses, shirts, jackets, and knitwear. The company also grants licenses to manufacture and distribute various products, including eyewear, watches, handbags, footwear, kids’ and infants’ apparel, leather apparel, swimwear, fragrance, jewelry, and other fashion accessories. It sells its products through its own stores, a network of wholesale accounts, and the Internet. As of December 31, 2006, the company operated approximately 336 stores, including 192 full-price retail stores, 103 factory outlet stores, 25 MARCIANO stores, and 16 Guess Accessories stores in the United States and Canada. It also operated 24 stores in Europe and 3 stores in Mexico through a majority owned joint venture.

[Apex Decisions](#) is headquartered in Savage, MN. Its mission is to deliver guaranteed measurable impact on client’s financials. The team at Apex has over 17 years of experience in delivering revenue management solutions with significant top and bottom-line impact and has been focused on providing retail merchandising decisions for 3+ years.

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